

Thursday, 25th March, 1943

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

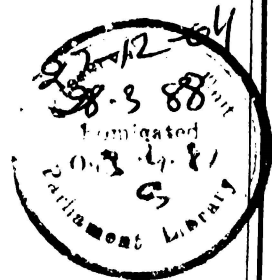
VOLUME I, 1943

(15th February to 3rd April, 1943)

THIRTEENTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1943



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COUNCIL OF STATE

Thursday, 25th March, 1943.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill further to amend the Indian Tea Control Act, 1938, which was passed by the Legislative Assembly at its meeting held on the 24th March, 1943.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : Sir, I lay on the table a copy of the Declaration of Exemption under section 6 of the Registration of Foreigners Act, 1939, as published with the Notification of the Government of India in the Home Department No. 1/11/43-Poll. (E), dated the 2nd March, 1943.

Declaration of Exemption

No. 1/11/43-Poll. (E), dated the 2nd March, 1943—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 9 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners shall not apply to or in relation to Mr. L. BROOK & EDWARDS, representative in India of the United States Office of Lend-Lease Administration, so long as he continues to hold that post.

THE HONOURABLE SIR MAHOMED USMAN (Posts and Air Member) : Sir, I lay on the table a copy of Notification issued by the Chief Commissioner, Ajmer-Merwara, No. F/14-6-III, dated the 3rd February, 1943, amending the Ajmer-Merwara Motor Vehicles Rules, 1940.

ORDERS BY THE CHIEF COMMISSIONER, AJMER-MERWARA.

NOTIFICATION.

Ajmer, the 3rd February, 1943.

No. F/14-6-III.—The Chief Commissioner is pleased to make the following addendum to the Ajmer-Merwara Motor Vehicles Rules, 1940, published with his Notification No. 1141/34-W/38-III, dated the 12th June, 1940, the addendum having been previously published in this Administration's Notification No. F/14-6-III, dated the 14th November, 1942.

Chapter IV—Control of Transport Vehicles. For clause (c) of rule 4. 18, substitute the following :—

“(c) that the carriage or service of carriages in respect of which the permit is granted shall carry mails at such rates as the Provincial Transport Authority may, in consultation with the Postal Authorities, fix in that behalf from time to time.”

STANDING COMMITTEE FOR THE DEPARTMENT OF POSTS AND AIR.

THE HONOURABLE SIR MAHOMED USMAN (Member for Posts and Air) : Sir, I move :—

“That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official members to serve on a Standing Committee to advise on subjects other than ‘Roads’, dealt with in the Department of Posts and Air, during the year 1943-44.”

The Motion was adopted.

STANDING COMMITTEE FOR THE LABOUR DEPARTMENT.

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary) : Sir, I move :—

“That this Council do proceed to elect, in such manner as the Honourable the President may direct, three non-official members to serve on the Standing Committee to advise on subjects with which the Labour Department is concerned.”

I have only one remark to make. My Motion increases the number of members from two to three. That is because another place has increased their number from three to five.

The Motion was adopted.

DEFENCE CONSULTATIVE COMMITTEE.

GENERAL THE HONOURABLE SIR ALAN HARTLEY (Deputy Commander-in-Chief) : Sir, I beg to move :—

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, four non-official members to serve on the Defence Consultative Committee for the financial year 1943-44.”

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : On a point of information, Sir. Is the Committee called the War Consultative Committee or the Defence Consultative Committee ? I thought it was called the War Consultative Committee.

GENERAL THE HONOURABLE SIR ALAN HARTLEY : No, Sir. The Defence Consultative Committee.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : May I know whether it deals with the subject-matter of the War portfolio or the Defence portfolio ?

GENERAL THE HONOURABLE SIR ALAN HARTLEY : It is in the War Department.

The Motion was adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

THE HONOURABLE MR. N. R. PILLAI (Commerce Secretary) : Sir, I move :—

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official members to serve on the Standing Committee to advise on subjects in the Department of Commerce.”

The Motion was adopted.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE MR. G. S. BOZMAN (Indians Overseas Secretary) : Sir, I move :—

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, four non-official members to serve on the Standing Committee on Emigration during 1943-44.”

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : With reference to the five Motions which have just been adopted by the Council, I have to announce that nominations will be received by the Secretary up to 11 A.M. on Friday, the 26th March, 1943, and the election, if necessary, will be held on the 29th March, 1943.

INDIAN FINANCE BILL, 1943.

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I move :—

“ That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, to continue for a further period of one year the additional duties of customs imposed by section 6 of the Indian Finance Act, 1942, to fix rates of income-tax and super-tax, to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, and to amend the Indian Finance (Supplementary and Extending) Act, 1931, as passed by the Legislative Assembly, be taken into consideration.”

THE HONOURABLE THE PRESIDENT : We will now proceed with the discussion of the Finance Bill. I would only ask Honourable Members, as there are many speakers, to be considerate and as far as possible avoid points which they have urged or the arguments which they have advanced on the last Budget discussion, if possible.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, I should like first to deal with a matter which, though it may seem small in comparison with the questions that will be raised today, is nevertheless one of very great importance to this House. Sir, I find that no index to the proceedings of the Council of State either for last winter or the last autumn has been prepared. When I enquired why there had been delay in the preparation of the index, I was informed that its preparation could not be undertaken owing to the shortage of paper. When I arrived here I therefore enquired whether the proceedings of the Assembly too were without any index but I was told that it was not so. It is only this House that has been

shabbily treated in this matter. Why this discrimination has been made against it I do not know. Perhaps as Government have a standing majority in this House they do not care how they act here but they are afraid of the Assembly which votes the Budget. Sir, I bring this point forcibly to your notice and to that of Government so that this insulting discrimination may be done away with immediately. Whatever the shortage of paper may be there is no reason for omitting to prepare an index to our proceedings. I may tell you Sir, that we were even asked whether we would like to receive the proceedings of the Council of State in future. It seemed to be a strange question. I bring no accusations in this connection against my Honourable friend Mr. Lal, for I have no doubt that though the letter was written by him he was only carrying out the policy of Government.

THE HONOURABLE MR. HOSSAIN IMAM : In what Department ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Whatever Department it may be the Leader of the House here is responsible to us in connection with our legitimate complaints against the Government and I ask him pointedly to tell us what justification there is for having insulted this House in this way. I trust, Sir, that as this matter has now been brought to the notice of the authorities they will have the index to the past and present proceedings of the Council of State prepared as early as possible.

Now, Sir, I shall pass on to the consideration of questions that naturally arise in connection with the Bill before us. There is hardly anything new that can be said on any question that we might discuss here today. The discussion that took place in the other House was so exhaustive that I doubt whether it is possible for anybody to raise any new question. Nevertheless, there are some questions which have to be considered again and again till our point of view finds acceptance with Government. Before I deal with those questions, Sir, I should like information on two or three matters from Government.

Government last year rendered the possessors of an income between Rs. 750 and Rs. 2,000 liable to income-tax. They, however, provided that if such a man wanted to be exempt from the payment of the income-tax he should deposit a sum one and a quarter times the tax with Government. They also expressed their desire to create a fund for the re-equipment and rehabilitation of industry after the war and they decided in this connection that both the industrialists and the Government should make a contribution to this Fund. I should like to know, Sir, what is the total amount of money received from the public in pursuance of the first scheme and what are the contributions made by industry and Government to the Reserve Fund which they desired to build up.

Now, Sir, I shall deal with the questions relating to the expansion of the currency and the utilization of our sterling balances, but as they have been discussed here more than once before I shall deal with them as briefly as I can. Assurances have been given both in this House and in the other that no unnecessary expansion of the currency would be allowed to take place. The Resolution moved by my Honourable friend Mr. Dalal, and watered down in accordance with the suggestion of the Finance Secretary, asked Government to take measures in order to deal with inflation and the Finance Member gave assurances in the other House that the matter was constantly engaging the attention of Government. I do not doubt, Sir, the sincerity of the replies that have been given here and in the Assembly but it is a matter of concern to us that currency continues to expand as before. So far as I remember the notes in circulation amounted to about Rs. 570 crores on the 25th December, 1942 ; on the 5th March, 1943, the note circulation amounted to about Rs. 625 crores, that is in the course of about ten weeks there has been an increase of Rs. 55 crores in the note circulation. This means roughly speaking an increase of about Rs. 25 crores per month. This is a most unsatisfactory state of things. I think we have, therefore, a right to ask the Government notwithstanding the assurances that they have given so far what steps they propose to take in order to control the increase in the note circulation more effectively than they have been able to do hitherto.

Sir, I should now like to refer very briefly to some of the suggestions that I have repeatedly made for the utilisation of sterling balances. I repeat them today because no observations have been made either by the Finance Member or the Finance Secretary so far on any of the suggestions that I made. I asked, Sir, that

[Pandit Hriday Nath Kunzru.]

the three Railway Companies that were still under company-management should be taken over by Government and that Port Trusts, Improvement Trusts, public utility concerns, and engineering, oil and coal industries should be taken over by Government. The oil and coal industries I think ought to be nationalised (*hear, hear*)—but for the time being if they are acquired and made over to private agencies the amount of money in circulation will be reduced and their nationalisation will be rendered easier. I hope, Sir, that Government, when they deal, at the end of the debate, with the questions that we raise, will be able to say something about these matters, which are, in my humble opinion, of no little importance.

And now I shall pass on to the question of the industrial development of the country. Though this problem has been discussed both here and in the Legislative Assembly, nevertheless some important points remain on which it is necessary for Government to give information to the public. Though there has been a great deal of talk about the establishment of a reconstruction fund and the building up of new industries, we have yet to know to what extent the war has brought about an increase in our industrial development. That factories have been expanded and that new factories have been built up, we all know. But we should like to know what is the net result of the industrial progress that the war has brought about. Government ought to be able to place before us a comprehensive and lucid summary indicating the directions in which we have advanced since September, 1939. We should, in particular, like to know what are the new industries that have been built up, and whether any of them deal with the production of capital goods. I ask for this information because in its absence we can have no accurate data about the very important question of industrialisation. I asked an eminent industrialist friend of mine the other day whether he could let me have a memorandum on the subject which would be useful to me. In his letter, which I received only three or four days ago, he regretted his inability to give me the memorandum I had asked for, as he himself did not know what was the extent and the character of the expansion that had taken place. It is necessary, therefore, for Government to prepare a connected and orderly account of the changes that have taken place in the industrial system during the last three years of the war, so that we may know exactly what deficiencies have been made up for and what have yet to be dealt with.

Again, Sir, when considering the question of the future industrial development of the country, we should not relegate it completely to the future. It is no doubt obvious that the opportunities available to us at the present time for advancing industrially are limited on account of the war. Yet I am certain that notwithstanding all the restrictions under which we have to work at the present time we can with the aid of the resources already available, proceed further in certain directions even during the war. I shall make my meaning clear by giving one or two illustrations which will show what I have in mind. I do not know whether Government have surveyed the possibilities of starting new industries at the present time. But there are one or two things which tend to show that some progress can be made even now. It was said some time ago by no less a personage than the Secretary of State for India that internal combustion engines were not made in this country. But when the Board of Scientific and Industrial Research appointed a committee to investigate this matter, it was found that there were four or five firms manufacturing such engines, though on a limited scale. Again, Sir, when the war broke out it was thought impossible to construct marine engines in this country. Yet, thanks to the persistence of the retiring Vice-Admiral, India is making marine engines today. I must take this opportunity of paying my tribute to the Vice-Admiral for the energy and enthusiasm that he has displayed in connection with all questions relating to the expansion of our naval forces. These two illustrations will suffice to show that there is need for a survey of the existing situation in order to see to what extent we can advance industrially without waiting for the cessation of hostilities.

In this connection, I should particularly like to know whether there is any possibility of the construction of locomotives in this country. A heavy responsibility rests on the Government in this connection. They at first denied that locomotives could be economically constructed here. But when the report of a committee appointed by them compelled them to admit that locomotives could be

constructed in this country as cheaply as elsewhere, we hoped that they would take some practical steps to put into effect the scheme recommended by the Committee. I am well aware of the reasons that they have given for not proceeding with that scheme, but they all seem to me to be thoroughly unsatisfactory. Is it impossible, Sir, in this vast country to set aside even one railway workshop for the construction of locomotives? Whatever the difficulties in the way of getting such limited quantities of machinery as we might require from outside, I think that if Government are in real earnest about this question, the difficulties in our way will disappear. They can get the materials we want from England, but if, that is not possible, they can try to get it from Australia, or failing Australia, from the United States of America. This is a matter to which we attach the utmost importance. The shortage of locomotives is causing us serious concern at the present time. Their construction, therefore, is not merely a question of increasing the industrial capacity of the country but of dealing with a difficulty which ought to be overcome during the war and which has a serious bearing on the transport of civil and military goods.

Now I shall refer very briefly to the Reconstruction Committee appointed by the Commerce Department about two years ago. The public is unaware of the work done by this Committee. The main Committee has, I understand, met only twice since it was established. Even in these two meetings, however, it may have done valuable work. The proceedings of the Committee are confidential but surely the matters that it has dealt with cannot be of a confidential nature and the Government should find no difficulty in informing us of the broad lines on which this Committee is proceeding. Is it aware of the character of the industrial expansion that has taken place since the war and has the Report of the Grady Mission which, though not published, is regarded as a valuable document, been supplied to it? The document, I know, is of a confidential character, but as the proceedings of the Committee are also confidential, there can be no reason for withholding the Mission's Report from the Committee. It may have been laid before the Committee but I should like to know from Government whether it is so. In this connection I would like to inquire what is the work that has been done by the Board of Scientific and Industrial Research during the current year which may be regarded as of substantial value. I have no doubt that the Board is dealing energetically with the problems that have come before it. But I think that the public is entitled to know what the activities of the Board have been during the last 12 months and what has been its contribution to the solution of existing difficulties or questions that are likely to arise in the near future. One of the questions which we expected both Government and the Board to deal with was that of the supply of sulphur. We were told with a great flourish of trumpets that Government had discovered rich deposits of sulphur which would suffice for the needs of the country for many a year to come. But I already hear serious complaints from industrialists regarding the lack of refined sulphur. The sugar industry is complaining most bitterly of the shortage of sulphur and I understand from those who are engaged in it that they are being compelled to use bone meal instead of sulphur to bleach sugar. This is not very creditable to Government. The matter is of considerable importance in view of the religious beliefs of the people of this country. Some people connected with the sugar industry have said that Government have got sulphur with them but are not willing to release it in the hope that they would be able to press the sugar industry to substitute bone meal completely for sulphur. I hope, Sir, that what has been said to me does injustice to the Commerce Department. But, if it is true, I take a serious view of it and we are entitled to call upon Government to tell us how they mean to tackle this question. Sulphur is one of the basic materials required in many industries, particularly in the chemical industry and is used in the preparation of foods which are used not only by meat-eaters but also by vegetarians.

THE HONOURABLE MR. HOSSAIN IMAM : Its production is dealt with in the Labour Department.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : If the matter concerns the Labour Department, the representative of the Labour Department here should deal with the question that I have raised. In any case I am entitled to a reply from Government.

[Pandit Hirday Nath Kunzru.]

Sir, when the question of the utilisation of sterling balances was considered in the Legislative Assembly, the European Group suggested that schemes might be taken in hand for the development of agriculture. The precise suggestions made by Sir Frederick James were that the sterling balances should be used for the reconstruction of agriculture by providing funds for water supply, tractors, threshing machines and plants. Sir, the development of our agriculture is undoubtedly necessary. But I wish that the European Group in the Assembly had also said something to assure us that it was as keen as the people of this country on its industrial development. Its interest in the welfare of the masses may be as genuine as its members profess, but their suggestions would have been more welcome to us had they supported us in pressing on Government the need, immediate and urgent, of proceeding with the industrialisation of the country, because without industrialisation we cannot have even a healthy agricultural industry. The suggestions made by Sir Frederick James reminded me of the programme set before itself by the British Fascist Party. In his book, *The Greater Britain*, Sir Oswald Mosley, dealing with the question of British export trade, said :—

“ National economic conditions assist trade relations between the mother country and the Empire. Great Britain is primarily a producer of manufactured products and the remaining countries of the Empire are still primary producers of foodstuffs and of raw materials. A natural balance of exchange exists which can and should be exploited ”.

And dealing expressly with India he suggested the development of co-operative marketing and agricultural banking, extension of irrigation, and so on, suggestions to which those made by the European Group in the other House bear a striking resemblance. Sir, I hope that the Government are not labouring under the delusion that they will be able to satisfy any section of opinion in the country if, while they expressed their solicitude for the interest of the masses, they failed to keep the need for industrial expansion prominently before their eyes. Their sincerity in the matter of Indian economic development and the promotion of the well-being of the masses will be judged by us in accordance with the steps taken by them to enable this country to use the raw material abundantly available here for the production of manufactured goods.

Sir, I shall now proceed to deal with a few administrative and constitutional questions of cardinal importance at the present time. I shall refer first to the food problem. I am glad to see that the United Provinces Government have, following the lead of the Government of India, decontrolled wheat. The Government of Sind too have appreciably modified their previous policy, though they have not as yet fallen completely in line with the Government as the United Provinces Government have done. I hope in view of the decontrol that, to whatever extent prices may rise, the consumers will have no difficulty in purchasing adequate quantities of foodgrains. But, as both the Government of India and the Provincial Governments want to buy all the surplus grain and to distribute it themselves, the question naturally arises through what agency their purchases will be made? There is, I know, serious apprehension in more than one province that a monopoly for the purchase of foodgrains will be given to European concerns like Messrs. Owen Roberts, Ralli Brothers, Steel Brothers, and soon. A question was asked on the subject in the Punjab Legislative Assembly the other day. The Premier replied that the interests of Indian grain merchants would be borne in mind by Government and that they would get a majority of the commission on the supply of foodstuffs. But this reply did not satisfy the people of the Punjab who thought that the monopoly would be given in the first instance to Messrs. Owen Roberts and that they would then ask the Indian grain merchants to be their agents. A deputation of rice merchants therefore waited on the Development Minister, Sardar Baldev Singh, who promised to do all he could to protect their interests. In my Province too, Sir, there is a serious apprehension that Messrs. Ralli Brothers might be made the sole agents for the purchase of foodgrains. They will of course have to take the help of Indian grain merchants. But we do not desire that British firms should enjoy monopolies and that Indians should have to act as their assistants. There is no reason why if Government wish to deal with only one firm in a Province Indian firms should not be chosen as their sole agents. Sir, if the apprehensions to which I have given expression prove true, then I am bound to say that Government will bring them-

selves into discredit with all sections of the people and it would be far better that the Food Department were abolished than that it should continue to exist and place Indian grain merchants in a humiliating position.

The next question to which I propose to refer now is that of censorship. I shall place a few instances in this connection before the House which will enable it to see in what manner control over the publication of news is being exercised by Government. In February last while Mahatma Gandhi was fasting Mr. Arthur Moore gave an interview in which he said with regard to the release of Mahatma Gandhi :—

“ I have no doubt that if he is released now under terms he will seek to bring about the much desired settlement between the Muslim League and the Congress ”.

The Censor did not allow this sentence to be published but passed the rest of it. Can anybody here, Sir, tell me what is the ground for the exclusion of this sentence? Would it have encouraged violence? Would it have given the enemy any valuable information? Sir, the absurd lengths to which this censorship has been carried shows that it is being used for political purposes. Mr. Arthur Moore is not the only person who has been so shabbily treated. Mr. Rajagopalachari also is one of its victims. He said in the course of an interview sometime ago that—

“ Though Government might not release Mahatma Gandhi and put down what they call ‘ rebellion ’ with a firm hand the repression would add only to what we call the damage to belief in non-violence. ”

and then added :

“ If the Bombay peace-makers’ demands meet with the same stone-wall reply the damage will be completed. There will thereafter be nothing for us to tell those whose patience is at an end. Perhaps I am wrong, there is a forlorn hope still, namely, international arbitration ”.

The Censor passed the last sentence :—

“ There is a forlorn hope still, namely, international arbitration ”.

and omitted the preceding sentence. The result of the omission was that it was difficult to understand Mr. Rajagopalachari’s meaning.

Again, Sir, in the course of the interview he said :—

“ Postponement is fraught with a danger to international peace. Colonial policy may be Britain’s family affair but India is not in the family ”.

The second sentence was allowed to be published but the first was omitted again making it difficult for readers of Mr. Rajagopalachari’s Press interview to understand.

The last instance, Sir, that I shall give in this connection relates to the statement which I made on behalf of my Party on the 22nd February, 1943, regarding Government’s attitude in connection with Mahatma Gandhi’s fast. That statement was not allowed to be published in the Indian Press and I have been reliably informed that only its first sentence was allowed to be cabled by newspaper correspondents to England.

Sir, the manner in which censorship has been exercised shows that it is the desire of Government to use their power to control the publication of news in such a way as to prevent opinions seriously at variance with theirs from reaching the outside world. On no other hypothesis can the vagaries in which the Chief Press Adviser indulges be understood by any plain man.

Sir, I should have liked to say something about the treatment of detenus but as there are many points that I have yet to deal with I shall utilise such information as I have when I move my Resolution regarding the appointment of non-officials as jail visitors in the course of a few days.

I shall, therefore, leave out this and some other questions and deal with the question of Defence, because this in my opinion is one of the most important questions that I should raise here.

Sir, we are all sorry at the want of success that has attended British and Indian forces in Arakan but the reasons that are being given for the failure of the forces to make headway reflect no credit on Government. When the Arakan campaign was undertaken it was believed that it was the beginning of the great push which would enable us to force the Japanese back and go a long way towards reopening the Burma-China Road but the complete failure of our forces to achieve success makes one feel sometimes that the campaign might have been undertaken more to impress Indian public opinion than to achieve any definite military objective (*hear, hear*). I hope I am wrong—I wish to cast no reflections on General Wavell

[Pandit⁸ Hirday Nath Kunzru.]

or on General Hartley—but the situation is so abnormal and the relations between the Government and ourselves are so strained that I must say candidly that we have no confidence left in the authorities.

Sir, that important developments should have taken place on the Burma front and this House should be given no opportunity of discussing the military situation though it has to foot a heavy military bill indicates more clearly the character of the regime under which we have to live than anything that I can say. We are asked, Sir, to take pride in the development of our forces. The Commander-in-Chief has told us that we have raised an army of two million men. The Vice-Admiral has told us that the personnel of the Navy has been considerably expanded since the war broke out and that many ships have been added to it but I confess that all this expansion leaves me cold, for though we have to pay for these forces I cannot regard them as our own. The Indian Air Force, on the other hand, is a tiny force but we can regard it as our own because Government have clearly laid down the policy that its personnel from top to bottom shall as soon as possible be entirely Indian. This policy has not been adopted either in connection with the Navy or in connection with the Army and Government have therefore themselves to blame if the people do not take the same pride in the achievements of the Indian Army and the Navy as they do in the achievements of the Indian Air Force. In the Legislative Assembly the War Secretary pointed out with great pride that the size of the Indian Air Force was ten times what it was before. I really cannot understand how any official spokesman can be so wanting in a sense of proportion as to exaggerate the expansion of the Indian Air Force. The War Secretary was no doubt technically correct. But as we had only one squadron before the war, and have only about ten now, the achievement is not one of which we have any reason to be proud. We are glad that the Indian Air Force has been expanded, but its size is a matter of serious dissatisfaction to us.

Again, Sir, the War Secretary pointed out to the Assembly that a considerable number of Indians had been appointed as Emergency Commissioned Officers since the outbreak of the war. He said, I think, that the proportion was 1 Indian to 1.5 British officers among the Emergency Commissioned Officers. I am in a serious difficulty here. The proportion of Indian to British officers before the war was, according to the War Secretary, 1: 5.5 and 1: 4.5 in September, 1942. If this is so, and 40 per cent. of the new officers are Indians, how is it that the proportion of Indian to British officers is still as unsatisfactory as it is at the present time? I will give an illustration to indicate what I mean. The Indian Army contained about 3,000 officers before the war. We had about 450 Indian officers. We must, therefore, have had at least 2,500 British officers. These figures may not be absolutely accurate, but I think they are substantially correct. Suppose we have, since the war, appointed 5,000 Emergency Commissioned Officers, and that 40 per cent. of these are Indians. That means, that 2,000 new Indian and 3,000 new British officers have been appointed. Then the total number of Indian and British officers ought to be 2,450 and 5,500. The proportion ought to be, therefore, 1: 2.3 or 2.5. But it was practically half of what it should be. I hope, Sir, that my Honourable friend General Hartley will elucidate the matter in the course of the debate.

There is only one other question to which I should like to refer in connection with the Army. I have referred more than once to the paucity of Indian officers in General Headquarters here. My Honourable friend General Hartley informed me yesterday that there were only 36 Indian Staff Officers in General Headquarters proper. This is a most unsatisfactory state of things. I do not know what the number of British officers is, but it is large probably more than a thousand. The number of Indians as compared with that of British officers, is therefore insignificant. I have good reasons to believe that many of the British Staff Officers are not senior officers. A good many of them are junior, and quite young. If new and inexperienced officers can be taken into General Headquarters there can be no reason for the paucity of Indian Staff Officers. I do not know whether the matter will receive the attention of Government, but whether it does or not, it is our bounden duty to enlighten this House and the public with regard to the deplorable state of things that exists in this respect.

Perhaps in this connection I may refer to the complaint that I have received regarding the excessive number of British officers at least in certain units. I understand that officers who have come from England and who have subsequently been trained here have been attached to units although there is no need of them there. I have been told that the Commanding Officers do not know what to do with them. I hope that my Honourable friend General Hartley will deal with this matter too and tell us to what extent the information that I have received is correct and what the excessive number of British officers in certain units is due to.

Sir, we have been told that an unlimited number of Indian officers are required but that there is a shortage of candidates with the requisite qualifications. I have no doubt in my mind that the political situation in the country is responsible to no little extent for the unwillingness of qualified Indian young men to offer themselves more freely for training as military officers than they are doing at present. But I am convinced from what I have heard that the shortage is no less due to the dissatisfaction of Indian officers with the treatment that they receive in the units. I have brought this matter to the notice of the Defence authorities more than once. They have denied the existence of racial discrimination. But the evidence that has reached me has come from so many quarters and is so clear and emphatic that I do not think that it can be disregarded by any unprejudiced man. I am not surprised at the complaint that I have received, because the Army is the chief agency which preserves and fosters racial feeling. The Defence Department in this country is the embodiment of feelings of racial domination and racial arrogance. Notwithstanding the professions of British statesmen that they desire to give freedom to this country, it does not seem to me that they are in a hurry to change their policy with regard to the Defence Department. If they wanted to convince the people of their sincerity, this was the Department in which they could have taken effective steps. But it is here that they have failed, and failed signally. No wonder then that there is complete distrust of their intentions throughout the country.

Sir, I shall now deal with one more question only and that is, the constitutional question. I am aware that the blame for the present state of things has been thrown by Government on the people of this country and they are using the present deadlock as an excuse for refusing to make any constitutional advance. The pamphlet recently published by them and entitled "Congress responsibility for disturbances" is meant, I suppose, to strengthen the British case and to make it appear that the Government have good reasons for refusing to move forward at the present time. It is necessary that I should deal with it, though very briefly, on the present occasion. It is admitted in the pamphlet that there is hardly any matter in it which the public was not aware of and we have been told that the review does not purport to disclose all the information in the possession of Government. What is the purpose of publishing the pamphlet if it contains nothing that is new and if all that is of any value is too confidential to be published, why have Government taken the trouble to publish it? Obviously they could not expect to influence Indian public opinion which was fully aware of what is contained here. Their object then must have been to impress American public opinion. But how signally they have failed to influence American public opinion is clear from the press interview given by Sir Muhammad Zafrulla Khan in which he said :

" American public opinion seeks to make no distinction in the application of the principles of the Atlantic Charter and desires that India should achieve freedom as quickly as possible ".

One of the charges brought in the pamphlet against Mahatma Gandhi is that he is pro-Japanese. Mahatma Gandhi pointed out that he had never thought that Japan would win if Britain was able to get India completely on her side, but that the position of Britain would be very serious indeed if political dissatisfaction continued to exist in the country. Hardly any reference has been made to this fact in the pamphlet. Again, Sir, the article in the *Harijan* of the 12th April, 1942, to which references have been repeatedly made was written in connection with a broadcast of General Molesworth in which, while pointing out that India had a large coast line, he said that it would be impossible for Government to arm all the people of the country or to have forces at every point and that the protection of the country would, therefore, depend on the resistance offered by the civil population. This fact has been conveniently omitted. I should also like to point out in this connection that

[Pandit Hirday Nath Kunzru.]

though we might be regarded as partisans of Mahatma Gandhi, General Snrats, when asked some time ago by an Indian correspondent what he thought about the attitude of Mahatma Gandhi, said, "It is sheer nonsense to call Mahatma Gandhi a fifth columnist". Sir, even a newspaper, a local daily which is not friendly to Mahatma Gandhi, has described the pamphlet "as forming at best a prosecution case containing a jumble of quotations" and has justly observed that unless an opportunity for defence is given to those who have been arraigned, the statements of Government will remain one-sided. Sir, I am not one of those men who have the happiness to agree completely, with Mahatma Gandhi. I have differed very often from him. But while I do not agree with the policy that he adopted in August last, I do not think that Government have strengthened their case by the publication of this hotch-potch pamphlet, which goes so far as to quote a letter written by Mr. C. Rajagopalachari on the 18th July, in order to show that it influenced the Working Committee in framing the Resolution which it passed at Wardha on the 14th July. Can prejudice and disregard of facts go further? What I have said is sufficient to show that though we may disagree, and seriously disagree, with the policy that commended itself to Mahatma Gandhi and the Congress, Government have indulged in exaggeration and have tried to pile up charges against him which have carried no weight not merely with Indians but even with public opinion abroad.

Sir, I do not wish to detain the House any further except to point out that unless the political deadlock in the country is resolved, Government should not think that the situation calls for no remedial action on their part. They have often accused us in the past of taking advantage of the difficulties of Great Britain in order to press her on the question of Indian freedom. I think, Sir, that the boot is now on the other leg. I think we can more legitimately accuse Britain of hardening her attitude towards this country and strengthening its resolve not to part with power in proportion as her military position has improved. No one in this country, Sir, can fail to be struck by the difference between the attitude of the British Government in April last and now. British armies have been victorious in North Africa and the situation generally speaking was favourable to them on every front till recently. British statesmen seem therefore to have changed their attitude and to be indulging in pronouncements which show that they had no intention of giving that freedom to this country which is its birthright. Sir, His Excellency the Viceroy referred to this question in a speech which he delivered in Calcutta in December last. If the purpose of that speech was only to indicate to the British representatives who attended the annual meeting of the Associated Chambers of Commerce and Industry that the British Government was not responsible for the situation that exists at the present time, I have nothing to say. But on general grounds I am reluctant to believe that His Excellency, whose keen interest in the establishment of the Federation is well-known, had only this barren purpose in view in recapitulating past events and in referring to the Federal scheme embodied in the Government of India Act, 1935. After saying why Federation had been suspended, he said:

"I have never concealed from you my own sincere and firm belief in the value of the federal scheme representing as it did the maximum of agreement between the great communities, the political parties, British India and the States that could be obtained at the time when the Act was passed".

I asked myself then, Sir, and I still ask myself what was the object of the observations made by His Excellency. I have no doubt myself that had a Federal Government been established at the Centre our position at the present time would have been much stronger than it is. But Federation, as His Excellency pointed out, was suspended immediately after the outbreak of the war. The precise question that I wish to put in this connection is this. Agreement between major Indian political parties has been regarded as indispensable to any political progress in India. If a similar agreement is regarded as necessary in connection with the establishment of a federal Government, it is obvious that Federation, however limited it may be, cannot be established. Did His Excellency wish to refer only to this fact, to this regrettable fact in his speech or had he anything further in mind? No light has been thrown on this matter. I personally regard the federal

scheme of the Act of 1935 as very unsatisfactory, but we are entitled to ask, Sir, after three and a half years of war what the intentions of Government with regard to the freedom of this country are. Mr. Churchill has spoken of the establishment of a Council of Asia, but how is a Council of Asia to be established unless Great Britain changes its policy towards this country? Mr. Wendell Willkie said in a recent speech that the Indian question was regarded as the touchstone of British sincerity throughout the East and that all eyes were focussed on India. It was according to him on the solution of this question that the attitude of the Allies at any rate in the Middle East and the Far East towards Great Britain will depend. This is a question that was considered at the recent Pacific Relations Conference to which Government had the unscrupulousness to send a Delegation chosen by them in the name of the Indian Institute of International Affairs. When the future of the Colonies was discussed there it was suggested that if the world was to be integrated in the future, then, though the immediate government of any Colony might be in the hands of any particular power, all nations would be interested in its welfare and that consequently regional councils should be established in order not merely to watch over their social development but also to see whether the people were being enabled to govern their own affairs in an increasing measure. The reply that has been given by Mr. Oliver Stanley, the British Colonial Secretary, on this point clearly indicates the imperialistic attitude of the British Government. He said he was more interested in knowing what the attitude of Britain towards the British Empire was than in knowing what the attitude of Americans towards it was. Mr. Churchill who proclaimed proudly the other day that he had not become the First Minister of the Crown in order to liquidate the British Empire endorsed the remark made by the Colonial Secretary. Sir, such indications as have been given to us by the British authorities unfortunately hold out no promise of the establishment of a free government in this country either now or within a measurable distance of time. When the question of India was discussed at the Pacific Relations Conference to which I have referred one of the suggestions made was that there should be a different Secretary of State for India and a different Viceroy before the Indian problem could be viewed from a new angle. I personally entirely concur in that suggestion. We have no reason to be grateful either to Mr. Amery who truly ought to be called the Secretary of State against India or to Lord Linlithgow who has done nothing so far to resolve the deadlock or to enable India to move one step towards that freedom which is rightfully hers. Lord Linlithgow has undoubtedly borne a heavy burden. I will not deny that he possesses many good qualities. Those in touch with him have said from time to time that no one would be more pleased than His Excellency if he could solve the Indian question; but we can judge a man better by his actions than by his professions and all that the authorities both in India and in England have done has, to use the words, the well-known words, of Lord Lytton, been such as to break to the heart the words of promise uttered to the ear. Sir, we are sick of the promises that have been made to us and there is no Nationalist who does not entertain the apprehension, who is not almost convinced, that unless we form what my friend Mr. Chandavarkar in the other House called a united national opposition and force the hands of Government at the present time no freedom will be accorded to us after the war.

THE HONOURABLE THE PRESIDENT: Will you please close your remarks now?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, I do not wish to add anything to what I have said except to reiterate my conviction that if England desires sincerely to help India and to convince the world that it is fighting for the establishment of justice and freedom throughout the world it must set its own House in order and allow those who are groaning under its yoke to be free so that they might be able to call their souls their own.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official): This Bill is a wartime measure and therefore we cannot object to it. The war must be won if we all want to be free, but at the same time, Sir, without trenching upon subjects or dwelling upon subjects like the sterling balances and the inflation of currency, which I think pandits like my Honourable friend Mr. Hossain Imam will deal with, I will confine myself to more practical things.

[Sir David Devadoss.]

I would impress upon the Finance Department the necessity for economy. I think there is a lot of wastage which could certainly be prevented. It might be said that the civil authorities have no power over the military authorities to control their expenditure. I quite admit that what the military consider as a necessary expenditure must be allowed but, Sir, I can give instances where there is a criminal waste of petrol and other things. One instance I will give. I believe a private or a non-commissioned officer drove four miles a huge military lorry—what for? For the purpose of buying a packet of cigarettes. To and fro it went eight miles and in a big lorry, driven for eight miles, you can easily imagine how much petrol could be consumed.

Then there are other ways of wasting. With regard to the A. R. P. in Madras I am sorry to find that the A.R. P. people are wasting a lot of money. I do not know whether the Central Government has any voice in controlling expenditure but even if it has not I would ask the Finance Department to look into this matter, though probably the Local Government has a say in the matter. The A. R. P. in Madras have commandeered a number of buildings, buildings belonging to colleges, schools, etc., and they have stored provisions which I think will last for a long time, oilman stores and other valuable things, and what are they doing? They are having lunches, dinners, and so on. I do not grudge their having a lunch but let everything be done in moderation. We do not at all wish our fighting forces or men who are actually working for us to be starving but I do not think they should have the right to do whatever they like. I will give one instance. Everybody knows that the day after Vizagapatam was bombed there was a regular panic in Madras. People ran away and a number of public buildings were taken over by the A. R. P. and the military. Well, some time after a number of these buildings, school and college buildings and so on were handed over but the Women's Training College building, which belonged to the College, was taken over last year in April. That is now occupied by the A. R. P. people. Sir, various representations were made by various people to allow the building to be given back to the College. No, the A. R. P. people say, No. Could not they get another buildings? How could they say that there is no other building available? Sir, I know Madras fairly well I think. Well they could easily get one. Why should they make the College suffer, the staff suffer and the students suffer. It is a residential College and there is no other place where they could go. At one time they went to Vellore. It is so far away that they could not continue to stay there after the end of last year and had to come back to Madras. Why could not they hand over this College? I am submitting all these things to show that there must be some restraint, some way of doing things which would not harass the people. I do not at all want to say that A.R.P. people should not be comfortable but they can be as much comfortable in one building as in another. The latter may not be as comfortable—I will grant it for argument's sake—but why should they make a big institution intended for Girls' Training College to suffer? Well, I am bringing these instances to show that the A. R. P. and the Military Department ought to see to the comfort of the people.

Then another complaint, Sir, made in Madras is this, that these military lorries are driven recklessly and the number of accidents have gone up very high. From every quarter I hear stories of reckless driving, people being killed and run over, and no notice is taken because it is very difficult to trace the offender. Nobody knows what the number of the lorry is unless there is a policeman on the watch, or the man or the driver who runs over does stop his lorry and see what has happened.

Well, Sir, I would ask the military authorities to exercise some control. I am told—I may be wrong—but I am told some of these drivers are not really trained men and they do not care for the rule of the road. You can see them driving on all sides of the road. No doubt we have got traffic control but they do not obey—I mean a lot of them do not obey—the rule of the road or even listen or wait for the way to be cleared or to enable the policeman to put his hand and prevent these accidents.

Now, Sir, these are things which can be remedied, but I am coming to a more important question. Sir, the question of economy is very necessary for these reasons. As soon as the war is over almost all the regiments and all the people who

are now taking part in the war operations will be demobilized. From South India especially lots of people have gone up. I do not mean officers, I mean people who have gone for road-making, fighting, etc., all kinds of people have gone up. Now they are paid very big salaries no doubt. Men from the plough and even *riksha* pullers have gone up. The point is, the moment the war stops and they come back, what will happen to them? They would have spent all the money they had been receiving during the war. And out men are proverbially improvident. What will they do? They must find a living. And they will not adjust themselves to the existing conditions. Will they go back to the plough and to the *riksha*? No. Will they be satisfied with eight or ten annas a day? Certainly not. You may remember what happened after the last war. The so-called heroes, who had stood kneedeep in mud, who had stood the guns of the Huns, when they went back, many of them had not enough to live on, and no jobs to do; so they became handbag-snatchers and pick-pockets. Crime increased very much. We all remember the trouble in England during the early twenties. In India we are in a worse position.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-official): What is your remedy?

THE HONOURABLE SIR DAVID DEVADOSS: I am going to suggest a remedy. Please wait.

For instance, Sir, thousands and thousands of people from South India—I am not talking of other Provinces; I will talk of the Province which I know best—thousands and thousands have gone up. Men from eating-houses, men from coffee-houses, domestic servants, men from the shops,—these have all gone up. When they come back, what are they going to do? Are they going back to the plough? Are they going back to the villages? Are they going to be *riksha* pullers? Will they go back to their old professions? They will not. It will be very difficult for them to adjust themselves to the old conditions, because they have been away from their places; they have been in Assam and other places; they have seen something of the world. The result will be that they will not find it easy to adjust themselves to village conditions.

What I suggest is this. Instead of paying their full salaries now, you should pay only three-fourths salary and keep one-fourth with the Government. It is idle to suggest that they should be encouraged to save. As I said, our young men are proverbially improvident. They will spend all the money that they have. They will not care for the next day. They would not lay by for a rainy day, because most of these are young men. What I say is this. Keep one-fourth of the salary and pay the salary in instalments. Take, for instance, the case of a man who serves for say, 24 months. Deduct one-fourth of his salary for 24 months and pay the amount in 24 instalments. That will enable—

THE HONOURABLE THE PRESIDENT: You will require legislation for that.

THE HONOURABLE SIR DAVID DEVADOSS: Is it very difficult for this Government to introduce legislation?

THE HONOURABLE MR. HOSSAIN IMAM: Ordinance?

THE HONOURABLE SIR DAVID DEVADOSS: Why not? This is as important as winning the war. I will explain myself. But let me finish the point I was making.

You pay these men for 24 months. By that time they will be able to adjust themselves to the conditions existing around them. The war is not going to be finished soon. We have listened to the broadcast of Mr. Churchill. First we must get rid of Hitler and his gang. Then we must crush the Japs. Till the Japs are crushed, India will have no safety, no security. We do not know how long it will take. I do not want to be a prophet of evil but it will take at least two or three years. You reserve one-fourth of the salary of the men who are employed in the armed forces. After they come back, you pay that one-fourth of the salary in instalments—24 or 36—till they have had time to adjust themselves to the conditions existing in the mofussil at that time. By that time the economic conditions may improve. Your income after the war will come down. All the industries that are thriving on account of the war will close down. Where will my Honourable friend the Finance Member or the Finance Secretary find the excess profits tax and surcharges and other levies producing a very large income? Therefore, your income

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will come down. But the expenditure will not come down. Therefore, what I suggest is : make the best of the present opportunity. As you, Mr. President, suggested, it may require legislation. Are we going to object to legislation of that kind ?

THE HONOURABLE THE PRESIDENT : Why don't you bring a Bill yourself ?

THE HONOURABLE SIR DAVID DEVADOSS : There is the Government with its complete machinery. If they will give me half a dozen clerks, I will certainly bring a Bill. It is not a very difficult matter, but I must have assistance. This is the sort of paper (*showing paper*) that they give me. And you want me to do all the work, when they get all the advantages. As I said, give me half a dozen clerks, and I will have the Bill framed before I leave Delhi.

However, that is another matter. What I say is this. Whether it requires legislation or not is beside the point. You must look to the future. You must see what will happen when the war comes to an end. The main reason that I put forward is this. It is not merely the economic condition that will cause trouble, though that will be very bad indeed. If these men come back and remain unemployed, what will our political agitators do ? These men will be the best material for making mischief in the country. Will the country be quiet ? Will the country have peace ? No. My fear is that these men, once they have been demobilised, will return with the feeling that they have served the country, and if they are let loose and they have got nothing to do, they will create trouble. There will be sabotage ; there will be crime ; there will be all sorts of mischief. Therefore, let us take stock of our position. We must win the war, and we must make sure that in winning the war our condition is not made worse. It is no use sleeping over matters. We should not say, " We shall put them off today ; we will see tomorrow. Let today take care of itself. Sufficient unto the day is the evil thereof ". No doubt it is a very good maxim, but it does not apply to the Government.

This reminds me of a proverb which is very current in my part of the country— " Like the man who went to plant tamarind seeds ". The story is that a man borrowed a lot of money from another. He was not able to pay the debt. The creditor was pressing him for payment, but the man would not pay. One morning, the creditor found his debtor busy in his garden planting tamarind seeds. He asked him : " What are you doing ? " The reply was : " I am planting tamarind seeds ". " What for ? " " So that the crop may pay off my debt ". The creditor naturally laughed at it, because, as everybody knows, tamarind is a tree which takes at least 15 or 20 years to bear fruit, and the man had to wait till then to get at least a portion of the money which he had advanced. Naturally he laughed at the absurdity of the idea. Therefore, the proverb says : When you do not want to repay a debt, you say, " Like the man who planted tamarind seeds ". Is the Government going to do that ? Can you say, " Oh, yes, we are having committees and all sorts of things ". No doubt I understand the etymological meaning of reconstruction. But frankly I do not know what is the meaning of it.

Therefore, Sir, what I want to say now is that we must do something just now so that as soon as the war is over we do not find ourselves in a worse position than that in which we are today.

With these words, Sir, I support the Bill.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar Non-Muhamadan) : Mr. President, it is no small disadvantage to be called upon to speak after two such eminent speakers like Pandit Hriday Nath Kunzru and Sir David Devadoss have spoken, and I cannot therefore proceed without asking for a little tolerance and indulgence from this House.

I feel that on this occasion I should start by paying my humble tribute to the A. R. P. services, of whose work I was a personal witness during the last Japanese air raids on Calcutta. I was in Calcutta throughout the period when the Japanese air raids took place in December last, and I can say from personal knowledge that the A. R. P. people worked actively, fearlessly, and with a sense of duty which was commendable.

Again, Sir, before I pass on to the taxation proposals and my reactions to the Finance Bill as a whole, I feel that I should say a word or two about the National War Front inaugurated by the Government of India. I do so particularly because

during the last few days I have noticed that some grave doubts have been expressed about the utility of this movement, particularly by my learned colleague the Honourable Mr. Hossain Imam. He called the National War Front "A white elephant". I should like to tell him that if it is an elephant at all, it is not white. . . .

THE HONOURABLE MR. HOSSAIN IMAM : It is bulky.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : It is mercurial ? it is brown ; because apart from Mr. Griffiths, who directs the show from Delhi all those engaged in the National War Front throughout the length and breadth of India are Indians. I have, generally speaking, been an unrelenting critic of Government, especially in the political sphere, but I can say of the National War Front that it is a movement which is all for the good of the country.

If I may, for the edification of the Honourable Mr. Hossain Imam and some other friends, I would like to say that the National War Front in my district was inaugurated by the President of the Bihar Muslim League and that the District President of the Muslim League is even today working under me as a sub-divisional leader. By the creation of a large number of Town Defence Parties and more so of Village Defence Parties, the National War Front has made a contribution to the life of the country particularly in rural areas which will remain to be a permanent feature of the rural life of many Provinces. The National War Front in some places has proved to be a great cementing force and in my own district, until the Congress went into wilderness and was declared an unlawful body, we had a Co-ordination Board formed by Dr. Rajendra Prasad himself on which we had representatives of the Congress, the Muslim League, the Hindu Mahasabha and the National War Front. I would like to point out all the same that if the efficacy of the National War Front has not been extensive it is not because it is intrinsically rotten or unworthy ; but, firstly, because every party in India must, in all circumstances and in all spheres, keep its own drum beating and its own flag flying, and secondly, because the Government itself is not honest and does not want the organisation to take deep roots and grow ; all that it essentially wants is to use it as a stick, as any other stick, to beat and malign the Congress with.

THE HONOURABLE MR. HOSSAIN IMAM : And the other political parties.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : They have not done so yet. It is the same story of distrust all over and the National War Front, whatever it may be capable of, as soon as it has shown signs of gaining strength, it has roused the suspicions of Government and raised the animosity of Government officials at many places.

THE HONOURABLE MR. HOSSAIN IMAM : Tell us more about it.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : I think I will be unfair taking up more time of the House on this question only if I were to give more details. In my town of Muzaffarpur Government of India are setting up the All-India Ghi Boiling and Ghi Grading Station, Bihar, is one of the chief buffalo-producing tracts in India, but to our great detriment and regret we find that Government are purchasing a large number of buffaloes and are transporting them to Calcutta, Assam and Ranchi from the Northern districts of Bihar for the supply of milk and meat to the army. If this process continues for about a year so, we shall hardly be left with any buffaloes of any use. Even the few men in this country who can afford to buy ghi will have no ghi to buy. This is a question which I would wish the Government to consider seriously. Therefore, Sir, I agree with those who have called the proposed tax on Vanaspati ghi as a tax on the poor man's kitchen.

During the general discussion on the Budget the Honourable Mr. Sapru described the present year's Budget as "a rich man's budget". He did not explain what he meant by this phrase ; but, if by calling the present Budget "a rich man's Budget" what he meant was that it did not take any note or notice of the poor man's capacity to pay or the poor man's needs then I agree fully with his characterisation of the Budget. Another member of my Party characterised the Budget as a featureless budget. With him, however, I do not agree because I find that there is one very predominant feature that runs throughout the Budget and that feature clearly demonstrates that it is an exploiter's Budget. The Budget clearly shows that very little attempt is being made at achieving anything like social security or

[Rai Bahadur Sri Narain Mahtha.]

raising the poor man's lot and the dim prospect that faces him after the termination of the war.

I do not think that the Government of India ever take any serious notice of the comments offered against their budget proposals. Surely, they can afford to flout public opinion in so far as the present executive is an *irremovable* executive and is responsible to no one of this country. One speaker at another place described the farce of a debate on the Finance Bill as an "annual ritual", another said it is an "endurance test", but there was yet a third who made a serious observation and said that the one note that came out predominantly from the discussions on the Finance Bill year after year was that the Government of India enjoyed the support of very few elected Members and that the elected Members were very reluctant to place funds by means of their vote into the hands of the Government, which did not enjoy their confidence. This gentleman further said that all the division lobby victories of the Government of India were moral defeats. This gentleman, Sir, was Nawabzada Liakat Ali Khan and I fully share his views in this respect.

Field Marshal Sir Achibald Wavell, speaking at the opening ceremony of the War Services Exhibition the other day in Delhi, said, "India's armed forces all raised by voluntary enlistment are rapidly approaching two millions. Of these nearly one-quarter, something under half a million, have served overseas outside India". Sir, this being the case and also that the Government are capable of raising any number of troops they want in this country, it appears quite contrary to reason why they should maintain, retain, or keep any foreign troops, including the British troops, in this country. The Government of India have yet to give a satisfactory reply to this question. Of course, we know that the Indian Army is an army of occupation and a Government that plays the second fiddle to the Churchillian Government cannot but keep white forces in India in order to ensure that the British Empire does not stand in danger of disintegration at any time in the future. Churchill is an honest fellow and he has never made a secret that he is fighting his war for the preservation of the Empire and for no worthier end.

The nature of my objection to the Finance Bill, as is well known to you, Sir, is the same this year as in other years. My objections are political not financial. I am gravely dissatisfied with the constitutional position of India. I have no faith in the Government of India as at present constituted. The expansion of the Executive Council has been a total failure. It has been a failure because Government only increased the number of Indians in the Council, but did not transfer real power. Indianisation without transfer of effective control subject to the Executive Council being responsible to a popular legislature is more a curse than a boon. Our Executive Councillors have no popular support. The present Government is one which is not carried on by law made by the legislative bodies of the land, but by ordinances promulgated at the will and desire of one who owes responsibility to no man in this country—

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House): Were such democratic things done before in India?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: What is the relevancy of this question?

THE HONOURABLE SIR MAHOMED USMAN: It is very relevant.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Do you want to go back to medieval ages? We have always thought you were stiff in the 5th Century B. C. and that too somewhere in a land which had not seen the Dawn of Civilization. I think the Honourable the Leader shows very poor knowledge of Indian history in putting this question.

THE HONOURABLE SIR MAHOMED USMAN: Yes, I know it.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: I am glad he accepts it. I was saying that the present Government is one which is not carried on by law made by the legislative bodies of the land, but by ordinances promulgated at the will and desire of one man who owes responsibility to no man in this country. His autocracy may well be envied by the Dictators of Europe. The Ordinances are not placed before the Central Legislature for acceptance or even expression of opinion. This is the totalitarian State under which India lives at a time when England

boasts of being the moral leader of a war which is for the preservation of democracy and freedom.

This world war is repeatedly said to be a fight for the preservation of democracy and freedom. I say to the Britisher, therefore, that he must conquer in his own society those inherent cravings for the preservation of privileges which go to deny to democracy and freedom power to expand. He must conquer these cravings as the very essential condition of the victory he seeks. The preservation of democracy and freedom is not, of course, a matter which concerns the Britisher alone, nor is the present war a struggle of which any one can ignore the inter-connections. We have seen how Japanese success in Manchuria led to Italian conquests in Africa and how the German conquest of France profoundly affected the balance of power in the Far East. This is essentially an international civil war. Not only the preservation but the introduction and cleansing of democracy is a matter of international consequence. And in this connection what I confidently venture to say is that the *most pivotal* of all problems that concern the British Empire is *India*. Not more than a fortnight ago Mr. Wendell Willkie—that public citizen No. 1 of the U. S. A. and leader of the Republican Party whose authority to speak for the American people is second only to that of President Roosevelt said :—

“All Eastern peoples are watching India. I do not think India can operate solely on her own responsibility tomorrow, but the demands of the Indian masses for self-government must be met”.

Earlier Mr. Willkie had said to England that if they did not talk over India now they will inevitably fall asunder. The British politicians have been saying that the Empire is their sole concern and none need or must interfere in what is their close preserve. This is the new defence mechanism which Britain is developing. Let us only hope that this narrowness of vision will not endanger the solidarity of the United Nations themselves and result in the deplomatic isolation of Britain in the post-war world. England has an immense stake in India. Without the immense wealth and power that India has brought her, she could not meet, at least peacefully meet, the demands of the proletariat in that country. England has, I do not doubt, done much for India that is for Indian's benefit ; above all, I think England has brought to India the consciousness of its destiny as a nation. Let England do nothing to undo what she has done in this respect. Let it never be said that England supported anything fissiparous in this country. But surely and immediately, England must get ready to part with power and allow India to rise to her full political stature. India stands before England demanding the right to self-Government *as clearly* as ever America or Irelan, did, demanding freedom from England's paramountcy; *as unmistakably* as Poland or Czecho-Slovakia demands freedom from the paramountcy of Germany over them. There is not one popular leader in India, with a serious following behind him, to whom England can appeal for support for the continuance of her paramountcy in India—

THE HONOURABLE SIR MAHOMED USMAN: Question.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Can you name one single political leader ?

THE HONOURABLE SIR MAHOMED USMAN: Hundreds. Fifty-two political leaders who saw the Viceroy at the beginning of the war.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Do they support this rule ?

THE HONOURABLE SIR MAHOMED USMAN: Certainly.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: You must be misinformed and so must the Viceroy be on your advice.

Sir, I still want to emphasise that there is not one popular leader in India, with a serious following behind him, to whom England can appeal for support for the continuance of her paramountcy in India. Year by year, to maintain this paramountcy even in the revised form of 1936, the Government of India has to resort to special powers, the exercise of undemocratic authority, the wide use of the power to imprison and to flog. The few Indians of position the Government can produce to applaud this rule by Ordinances are men whom the Government themselves have elevated for that purpose, who without that elevation would be against the present autocracy and not against their own countrymen.

The character of British rule in India, maintained in defiance of Indian demands, has all over the world long stained British reputation for plain dealing.

[Rai Bahadur Sri Narain Mahtha.]

Until the advent of Hitler and Mussolini on the scene it was the most classic example of imperialist exploitation. The immediate tragedy is that although India has been promised an undefined status after the war, all that is *actually* seen happening in this country is *retrograde* in character and designed to strengthen the British hold on India *now and after the war*. The very British statesmen who manipulate pretexts and devices against India's independent future are most prolific in the announcement of their yearning for the fulfilment of India's ambition. With every new statement of Churchill, Amery, or the Colonial Secretary *suspensions are confirmed and distrust grows*. Meanwhile, in the name of the Indian people the Government of India take *this or that* decision, sign this or that pact, mortgage India's financial and industrial future to England or even to other countries, accept this or that gift from the Indian people and princes wrung out from the misery of their unhappy subjects and then exhibit these gifts to the world as proofs of Indian loyalty and the treaties and pacts as having the sanction of a grateful people. Representatives and delegates are sent out to America and China to speak on behalf of India—person who represent no body except themselves or the bureaucratic Government of India which works hard and works well but purely in the interest of alien capitalism and the perpetuation of Indian slavery.

It seems to me, as it must seem to many others, to be quite clear that the solution of the Indian problem, which certainly is not a simple one on any showing, depends on the *determination* of England to agree to self-government. England has so far been trying to evade and fence and has been putting forward impossible conditions. England must say that self-government will begin to operate within one year of the conclusion of peace, and build a National Government in Delhi, which the Government of India *certainly can manage if they sincerely and honestly want to do* and then let that Government conduct this war and the post-war negotiations with England. If England insists that such communal differences which this National Government or for the matter of that the political parties themselves failed to solve should have to be submitted to independent arbitration, to the Permanent International Court for instance, or to the President of the United States, I do not think an appropriate pattern of Indian freedom would be long in forthcoming. But, so long as every vested interest in India (like the Princely order, the European interest, or Muslim interest) is encouraged to believe that it will get better terms from dependence upon England than from a real attempt to accommodation with other Indian interests, of course, agreement between Indians is not forthcoming. England in this respect is not playing with India clean game and my charge against the Government of India is that it patronises dissidents from unity. Knowing their subordinate position, however, I pity the Government of India more than I can blame them. But the Government of India definitely, voluntarily or involuntarily it does not matter, is a party to this foul and dishonourable game. I wish to warn them, therefore, that they may continue to do so in the same way as the Conservative Party in England long patronised the separation of Ulster, and with the same evil consequences. But, before I close down, I feel, I must say one thing more and that is this that from the India that I have envisaged above, the gains that would be available to England would be immense from any point of view. Such an India, even in the stage of its approach to freedom would give England and the United Nations a wealth of aid in war effort which this Government cannot dare, under present conditions to extract from the people they govern. Enough harm has already been done by bedeviling the politics of India and the rest of the world by repetitions of Amritsar and Chimur incidents. It is too late in the day for any body to seriously contend that England can keep India perpetually in bondage. She will have to free her and that too not very long from hence. But the time to win India's confidence is really speaking now and not when it is too late. Nearly a century ago, on the very analogous issue of Ireland Macaulay told the House of Commons :

" You will make it as every concession to Ireland has been made But, you will make it in such a way, and at such a time, that there will be but too much reason to doubt whether more mischief has been caused by your long refusal, or by your tardy and enforced compliance ". (*Applause*.)

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) : This is the fifth Finance Bill on which we have been called upon to vote a heavy demand

of money to meet our war commitments. We should judge this controversy of war commitments like brave men in many lands who have given all they have and not for their own cause alone. The crucial idea is to win the war and to hold Britain to the fulfilment of her pledges. Without steady and unrivalled resolve and a spirit of self-sacrifice little is achieved by individuals or nations. Let us, therefore, not give Britain a chance to say after the war is over that the people of India stood needlessly aloof at a time of mortal peril. I would like to ask my British friends what can be more impressive than India's inspiring efforts in spite of many disappointments to stand by Britain and hew its way to victory. I only hope this India will not be forgotten, it will not be ignored in the future.

Coming to the actual Budget proposals the item under the heading "India's War Emergency measures" which was only Rs. 3.61 crores at the beginning of the war has increased forty times to Rs. 143 crores. I am wholeheartedly for the war efforts, Sir, but I should like to know whether this amount has been spent totally on India's defences and what proportion of the total amount has been spent on British and foreign troops and what proportion on Indian troops. I should further like to know, Sir, what check there is on the extravagance and waste in running this mighty war machine.

Then, Sir, under the Lease-Lend agreement the expenditure is Rs. 239 crores on Defence in 1942-43, including the capital portion which is about 12 per cent. of our national income. I admit, Sir, that Australia is spending 13 per cent., America 14 per cent. and Great Britain 25 per cent. of its national income but this amount is abnormal taking into consideration the inequitability of India's economic and industrial resources. Greater and greater is the burden falling on the Indian people to meet our Defence expenditure. Is it not, therefore, reasonable, I ask, to see that the Indian States share a proportionate burden of this expenditure. There is still a lot of leeway for the Honourable the Finance Member to improve the system of Government and its finances by rationalisation and economy and putting it on a more stable basis.

In my opinion, Sir, a scaling figure should be fixed for our total war expenditure at, say, Rs. 125 crores, Rs. 73.61 crores being the figure in 1939-40, and any amount more than this scaling figure should be met by the United Nations taking into consideration India's inequitability of economic and industrial resources as compared to that of the mighty United States of America and Great Britain.

There are, Sir, several Lease-Lend transactions for commercial and industrial purposes but directly or indirectly for war purposes and it is but only reasonable to expect that India should not be asked to pay for heavy equipment which may be necessary for the United Nations.

Then, Sir, coming to the food situation, with special reference to my own Province of Bombay, I must say that there are long queues of people standing in front of the food grain shops in the city of Bombay. Wheat and *jawar* are still not available and on many an occasion these poor people have to go away without getting even their daily rations of rice, dal, sugar, matches. Repressive measures are taken to stop this so-called profiteering. For instance, a restaurant proprietor who sold two boxes of matches for 6 pice instead of the Government fixed price of 5 pice, has been sentenced to two months' rigorous imprisonment and a fine of Rs. 500. What are we coming to, Sir? A volume of orders are issued under the Defence of India Act. Even on ceremonial and religious occasions not more than 50 people can dine at one time.

THE HONOURABLE SIB RAHIMTOOLA CHINYOY (Nominated Non-Official): 49; 50 including the host!

THE HONOURABLE MR. M. N. DALAL: That makes my case still stronger.

Now, within a week's time, from the first of April, we are going to have a ration card system by which each individual will be given not more than one *paylee* of either rice, or jowar, or wheat or *bajra* or any of its preparations.

AN HONOURABLE MEMBER: What is a *paylee*?

ANOTHER HONOURABLE MEMBER: 2½ seers.

THE HONOURABLE MR. M. N. DALAL: We are in an appalling, ruthless war and I am not saying this by way of complaint. I am not shirking my civic duty as a citizen. But what I cannot understand is, why should the people of my Province suffer such hardships, such privations, in comparison with our more fortunate

[Mr. M. N. Dalal.]

compatriots in other provinces, especially when Government have themselves said that there is no dearth of foodstuffs in this country, that there is no dearth of transport wagons, and that there is no more exporting of foodgrains outside India ?

Now, coming to inflation, Sir, most of our professors of economics like Professor Thomas and Professor Vakil have said that inflation is due to the expansion of currency notes, whereas eminent businessmen have said that there is no real inflation, and if there is inflation it is due to scarcity of goods. We have exactly two divergent views on this point, and the more we think of it, the deeper we go into it, the greater is our dilemma. Indeed, how true was the remark made the other day by a certain member of Parliament, that the only one man who knew about the intricacies of the currency problem is dead, and the other man who knows about it is in the lunatic asylum ! Mr. President, whatever may be said about inflation, there is no doubt, and no one can deny, that there is a tendency towards inflation, and the expansion of currency notes and the growing bank balances are a potential threat to it.

So far as taxation is concerned, it is easy to lop off the income of the salaried classes by a system of compulsory levy. But I would suggest at this stage that the Honourable the Finance Member should go into the possibilities of levying a small war tax on the agriculturists, who are the majority of the earners, and who are today, no one can deny, getting a higher price for their produce on account of war conditions.

THE HONOURABLE MR. HOSSAIN IMAM : Higher than textiles ?

THE HONOURABLE MR. M. N. DALAL : Well, Sir, a total war cannot be fought with the easy methods of Gladstonian finance. A total war requires bold steps, and we shall have to tax even the agriculturist—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Without a National Government ?

THE HONOURABLE MR. M. N. DALAL : Well, a National Government will perhaps establish an agricultural tax.

THE HONOURABLE MR. HOSSAIN IMAM : Let it come first.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Let the National Government first come.

THE HONOURABLE THE PRESIDENT : Order, order. Will the Honourable Member proceed ?

THE HONOURABLE MR. M. N. DALAL : Then, Sir, there is the complaint that Government are very slow in the collection of the excess profits tax. I therefore welcome the suggestion of the Honourable the Finance Member that "tax reserve certificates" should be issued both as an anti-inflationary measure and as a measure for facilitating the collection of taxes. But I only hope Government will make a categorical announcement that the amounts subscribed to these tax reserve certificates will not be a criterion for the assessment of the tax due.

The possibility of putting ceilings on industrial profits, by limiting dividends, and enforcing compulsory savings, has been anticipated for a long time. I only hope Government will not be very harsh on the present investors in industrial concerns by shrinking dividends too much and thereby killing the spirit of initiative and enterprise in wartime industrialisation. The limitation of dividends in British India will give a further fillip to the Native State concerns. I hope, therefore, that Government will take into consideration the possibilities of levying a similar tax on the Native State concerns which are already getting very fat returns—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : You mean Indian States.

THE HONOURABLE MR. M. N. DALAL : Yes, Indian States, if you do not like the word "Native".

An active savings campaign must be initiated although war time profits are unequally distributed, and there are weighty reasons why a scheme for small savings should be encouraged. For the rest, of course, Government must depend on a sound and secure programme of borrowing.

Our main grievance against the sterling assets is that the Finance Member is immediately liquidating our liabilities without adequate safeguards as to conver-

tibility and depreciation in future, in spite of the evident depreciation of an artificially maintained sterling. Whereas other Dominions of the British Empire are taking advantage of their favourable balance of trade by investing them in more profitable and beneficial investments taking advantage of war time conditions our sterling assets are fast piling like Mount Pelion on Ossa, and the attitude of our Government today, will decide either a balanced economic position or the complete financial ruin of the teeming millions of this country.

*THE HONOURABLE MR. ABDOOL RAZAK HAJEE ABDOOL SUTTAR (West Bengal : Muhammadan) : Mr. President, there is a general apprehension in the country that by controlling the price of cotton the growers of this staple industry would suffer economically. Even in the beginning of the present war, the price of Broach cotton, which, you, Sir, know, is a short staple cotton, was Rs. 345 per candy. Subsequently the price of this cotton had fallen to the low level of Rs. 150 to Rs. 160 per candy, and yet the Government did nothing to stop this catastrophic fall, which was due to no fault of the grower. The Government at that juncture did not think fit to exploit any measures to stop this unprecedented fall. Still the price of cloth and yarn kept an upward tendency and went on soaring to a high level. And yet the Government did nothing to prevent the cotton mills from making huge profits : for instance, if a mill was making Rs. 4 lakhs of profit in 1940, that mill is now making nothing under Rs. 20 lakhs. The profit thus derived is mainly from the low price of cotton stocked by the various mills. Since no price control was introduced by the Government in respect of either cloth or yarn, the price of which had gone up tremendously, why should Government now come forward in the name of the speculators by contemplating very stringent measures that are unknown to this House and thus adversely affecting the growers and traders alike ? This high-handedness of the Government should not be encouraged by this House.

Before I sit down, Sir, I wish to bring to the notice of the Government a matter of great importance to my community, namely, the due and proper representation of Mussalmans in the public service of the country. Notwithstanding the orders of Government there has not been much improvement in this matter. Sir, the other day, in reply to certain questions in this House, the Honourable the Leader of the House kindly gave an assurance that the best interests of the Muslim and other minority communities would be protected. I hope and trust that active steps will now be taken by the Government to implement this assurance. Unless the Honourable Members and the Heads of the Departments of the Government take personal and keen interest in this matter, much improvement cannot be expected. I earnestly hope that they will do so.

The Council then adjourned for Lunch till Three of the Clock.

The Council re-assembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

*THE HONOURABLE MR. N. K. DAS (Orissa : Non-Muhammadan) : Sir, speaking on the Finance Bill, I shall not go into the bigger questions of constitutional changes and political controversies which have been so ably dealt with by the previous speakers. After the eloquent speeches made by the Honourable Dr. Kunzru and the Honourable Rai Bahadur Sri Narain Mahtha, I do not think I could put greater emphasis on that burning question. There is just another reason why I do not go into these. I feel that no political advancement will be granted by these Britishers until we can force their hands or, more correctly, unless and until we can snatch it away from their unwilling hands. The ways and means to that end, Sir, are many and diverse and it is left to people with better judgment and real understanding to devise them.

Sir, as I said, I confine myself to smaller questions, to simpler problems and the day-to-day happenings which strike me as very unjustifiable and wrong. I understand that within the last year about Rs. 25 crores have been spent in India on putting up aerodromes in different parts of the country. Although such huge amounts are being spent on these projects, they have been set up with practically no eye to their future and peacetime utilisation. No forethought or imagination is ever bestowed on these projects and large amounts of money are wasted in the name of urgency.

[Mr N. K. Das.]

in putting up structures of some plaster and mud which are bound to come to dust even before the war is over, whereas in England every aerodrome, or for the matter of that, every project undertaken to meet the emergency of the war is done after careful planning so that these could be converted into peacetime requirements and could be usefully employed when the war is over. I shall give an instance of an aerodrome at Asansol. At Asansol in Bengal an aerodrome was constructed the other day. More than Rs. 42 lakhs were spent on this. This aerodrome will be of no use after the exigencies of the war are over, and the money spent on it will be completely wasted, whereas if the site could have been shifted to a place about two furlongs off and the buildings put up there were of a more durable character, this site could have grown into an industrial town because of the fact that there happen to be mineral deposits near about this site I am speaking of. The same thing has been repeated at another place in Orissa where on a rather high plateau they are putting up an aerodrome and where near about Rs. 35 lakhs are being spent. If a little imagination and forethought were given to it and the site and plans were altered a little to a different site, this latter place could have developed into an ideal health resort in times of peace. Sir, instances of this kind can be indefinitely multiplied where the Defence Department have been uselessly and thoughtlessly wasting money, leaving it to the Government of India to meet the heavy bill however they can. I will give you another instance of how money is being wasted. I understand, Sir, that in one of the aerodromes in Orissa, where a cinema has been put up, it so happened that one day, when one particular film was going on for a number of days, the R. A. F. people there did not like this and on inquiry it transpired that new films could not be brought from Calcutta as there was a breach in the line between the two places. The Captain or the Commandant, whoever he was, at once came to the rescue of the Cinema proprietor and offered to fly an aeroplane on a trial flight to Calcutta and bring the film. As a lighter type of aircraft was not at the moment available, a big bomber was employed for the purpose and about 80 tins of petrol was wasted for the bringing of a film from Calcutta.

Coming to industrialisation, Sir, I understand that although assurances have from time to time been given for putting up heavy machinery for building locomotives in India at the close of the war, large orders have already been placed in England and in America for these locomotives which are calculated to meet all the requirements of India for years to come. In the matter of supply of sulphur to sugar companies, I am told that very large supplies of this stuff were made available to Begg Sutherland & Co. and several other English and European sugar manufacturers at a very early stage in order to keep them going for four or five years and that when it came to the case of Indian sugar manufacturers, Government complained of short supply, whereas, as a matter of fact, they have been still holding very large stocks themselves.

Coming again to the question of food and clothing which I feel are the two primary duties that any Government owes to its people, the Government of India have miserably failed in their food policy and prices of essential commodities have been mounting up beyond all bounds of calculation. In the matter of standard cloth, Sir, which the Government have been trumpeting for more than a year, nothing has come out yet and in spite of the fact that the sole distributing rights have been auctioned and the highest bidders selected in certain places, standard cloth is nowhere to be seen and the Government themselves are not in a position to say at what definite date or time it is likely to be made available for purchase in the market. I therefore feel that the Government have utterly and irrevocably failed in discharging their very primary responsibility to the people, that is, in giving them food and clothing, prices whereof have now gone up beyond all calculations and unless they work up a very bold, active and determined policy quickly the miseries of the poor and the middle classes of this country will be immeasurable. With these instances of glaring neglect and failure on the part of Government as also on the political and constitutional issues, where too they have been pursuing a ruthless and uncompromising policy, I feel I cannot support the Finance Bill.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, there has been so much vehement criticism on political and constitutional problems that very little has been heard of the Finance Bill and of the taxation measures. It seems

to me that the relevant portion of any one's address to this House on this occasion should be on the merits or the demerits of the Finance Bill and the justice or injustice of the taxation measures that are proposed by the Government with a view to meeting the deficit and the only question to be considered is whether there is deficit in the Budget or not, whether the deficit has been arrived at by legitimate causes or it is only a unreal deficit. It seems to me that no one who has read through the speeches of the Honourable the Finance Member and the Finance Secretary could say that there is no justification for any of the measures adopted by the Finance Department. It requires a very bold man to be able to overcome the effect of figures and facts and to rely only on slogans and imagination in order to prop up criticism on constitutional or political questions. Financially dealing with these measures I have said enough at the time when the Budget was introduced and discussion was allowed. Mere repetitions of the statements made are made today. The political grounds urged are two-fold. In the first place, it is said that there should be a national Government which is the sure remedy for the purpose of removing the distress and economic depression, whatever may be the financial difficulties in the country. Secondly, it is said that there should be an immediate declaration that a national Government would be established and power should be transferred to Indians. It is true that no one in this country would deny his right for Swaraj. Everyone of us is anxious that we should get Swaraj as early as possible and that Swaraj is a necessity for our growth and development as a nation. I do not accept the proposition that there is one nation in the country in the sense in which it is understood in other countries. Suppose today a national Government is to be formed. The question is, what is the composition of that Government, what are the personnel or communities that are to be represented in order to make it really national and what are all interests to be represented in it. On that we must first be agreed on. In the first place, there is no agreement among us as to representation of our people on the national Government. A national Government must be composed of different sections of the people. Otherwise it will be only the dominating power of one party or other. In order to have equalisation balance of power, in order to have co-ordination of interests, there should be agreement to such an extent among us that we will be able to carry on effectively. Therefore, I repeat, the question is, how is this national Government to be formed and to be carried into effect when there is no agreement among us as to the representation. We have this Hindu-Muslim problem for the last 15 years actively. In fact for the last ten years it has been a very controversial problem. Even Gandhiji in one of his articles on independence stated that the time has not yet come for agreement between the Hindus and Mussalmans, that we must wait and wait till the time comes when we will have Swaraj. That was the statement of Gandhiji at the time. And he said "Such Swaraj may not come this year, may not come within our generation, but I have contemplated nothing less". So the Swaraj which he had contemplated for India is not to come in one year, it is not to come within our generation. But he contemplated nothing less than that. That is the statement which comes from the oracle of the Congress and how can they go back upon his statement which has been so solemnly made? Then again, Sir, dealing with independence and Swaraj he has said:—

"We have not yet come to our own; there is mutual distrust between Hindus and Muhammadans and the untouchables have not yet felt the glow of Hindu touch. The Parsis and the Christians do not yet know their future under Swaraj to any certainty. We have yet to learn the art or realise the necessity of obeying our own laws".

Now these are the statements made by Gandhiji and therefore we have to judge or analyse the demand for national Government and Swaraj in the light of what he has stated or what he views as the necessary conditions precedent to the formation of nationhood in India.

Now, Sir, we all desire that power should be transferred to Indians. I think no Indian will deny the right to himself to have the full power for himself to govern his own country. Every people have the right to govern their own affairs. That is no doubt the theoretical law, but in actual fact we have to decide for ourselves whether the power that we want to get will be administered, will be carried out by ourselves and the good Government or popular government will be carried out without any detriment to all classes of the people. Now, Sir, we have had proof—I know there is a difference of opinion—of what the Swaraj Governments have done in the Provinces. For two and a half years they have had immense power, full political

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autonomy and we have had experience of what their regime was like and how it was that they would carry the administration, and therefore it is a warning to us—it is a warning finger pointed to us—that we must not travel on the same path as they have done before. Therefore, transferring of power, while it is necessary and desirable, should be done when all the classes or at least the majority of the people of this country are prepared for it. You have till now neglected the so-called submerged classes. Except for the educated few or the intelligentsia there is no cause at all for this kind of precipitous change. What is desired is that there should be economic development, economic protection, economic freedom and what they want is agricultural education, agricultural development, protection of the rights of the agriculturist and the cultivator. In these directions, what have you done in order to prepare the country for the purpose of taking the responsibility? The British Government have failed in their duty in this matter and the Congress Governments that have been there have not done the least; they have not moved forward in the matter. Both the British and the Congress have combined together in order to run down the agriculturist and the cultivator and the ryot. Therefore, it seems, Sir, necessary that in order that there should be a proper and stable Government in the country there should be the association of all the people, the masses should have their real representatives, not based on the present system of voting. The British system of voting or the Parliamentary democracy as they call it which they have imported into India is a thorough failure. It is admitted by the leaders of every political thought in the country that the Parliamentary democracy as such, imported into India, is a failure. (*Hear, hear.*) Therefore what is necessary is a reformed system; a system which is indigenous and which is consistent with the characteristics of the people of this country is most necessary and that must be devised by the people themselves with the help of the British. It is foolish, it is suicidal to say that we can do things for ourselves without the aid of the British. The British help, the British co-operation, British statesmanship is absolutely necessary to aid us in the matter, not as our masters, not as those who will dominate over us, but as friends and comrades, as colleagues and co-workers in the building up of a new British and a new Indian Empire. That is what is necessary. It is that change of spirit, that change of mentality which is absolutely necessary on both sides. On the one side, Indians say "Do or die"; on the other side they say again "Go, Quit India, Quit India". These are mad and unreasonable slogans which ruin the country, which ruin the interests of all classes of people, except those that are bent on exploiting the situation and making money out of it at the same time. While, on the one side you ask that Government efforts for war should be reduced, should be minimised, on the other side you go on making huge profits in the matter of the war contracts and war supplies. This is the position which capitalists occupy in this country. While condemning the Government efforts on measures at the same time they are making money from out of the evil. They say "This is evil; do not do so". At the same time out of the evil they make immense profit. This kind of mentality or moral calibre should be changed. What is necessary is, as I said before for the purpose of governing ourselves, to educate our masses and make them alive, conscious of their rights and responsibilities; not merely their rights but also their responsibilities. At present what is the position in the country? If you go into the mofussil you can find 4-anna members so-called. Of course a capitalist or an industrialist puts in Rs. 400 or Rs. 500 and gives the names of all the people in his locality to be enlisted. Thus they get their lists swelled up though all the money has been paid by one man! Therefore, as you see when you have got these people in the mofussil they begin their slogans and begin to misrepresent real facts and we have today unfortunately such statements made here on the floor of this House which should be contradicted; it is the Government that will do it. Therefore, it is necessary in order that these misconceptions should be cleared that there should be a statement.

As regards the Air Force and the treatment given in the Army all those statements are altogether wrong. We have had statements made by His Excellency the Commander-in-Chief; the Deputy Commander-in-Chief also made his statements. We have had pamphlets circulated—like *Three Years of the War* a pamphlet circulated by the War Department—and recently the Air Force have circulated another

pamphlet. Now these pamphlets educate the people, give instructions and information which are directly opposed to the facts stated by the Honourable Member. It is ignorance of facts and information given in these pamphlets that is responsible for such reckless statements. I am sorry he is not here. I would have liked to point out to him the sources from which he could derive correct information, so that he might not be under a misapprehension.

As I said, Sir, it is unnecessary that political matters should be dealt with now. We have had so many conferences. All have passed very plausible, attractive, long resolutions. These conferences have consisted of persons who have neither a party nor a following—of persons who call themselves leaders still. What value is there to these resolutions unless they follow them up by action? It is a sad spectacle to see that even after three or four weeks we have not been able to find persons who would lead. Therefore, to me such resolutions are valueless unless they are followed up by action. Is it possible, when there is such a division of opinion among the so-called leaders, to take concerted action? Therefore, the first and prime necessity is for a political union of Hindus and Muslims and other minorities. The necessity is to have common leadership. We are paying the penalty for want of common leadership in India. Therefore, the first necessity is agreement among ourselves during the period of the war. Let us have that agreement; let us have union. It is not the British that can help us in the matter. It is the duty of ourselves. The British do not throw any obstacle in the way. The Government cannot afford to throw any obstacle in the way. How can the Government object to our meeting together and coming to an agreement? There must be the will; there must be the volition; there must be the force from inside impelling us. We must be impelled by one idea, namely, the welfare of the country. It is necessary that we should all come together and sacrifice our little personal matters and bury them for the time being. We must have one common idea, one common fellowship, one common leadership, so that we may press our claim with greater force and greater vigour on the British, which claim they will then be bound to concede.

Our demand for Swaraj is not an impossible thing. Swaraj has been promised to us. When we have made the necessary preparation during the war, we are going to have Swaraj after the war. There is no doubt about it. Whatever may be the doubts with regard to the Atlantic declaration made, there is no doubt about it that India is going to have Swaraj after the war.

THE HONOURABLE MR. HOSSAIN IMAM: Like 1917!

THE HONOURABLE SIR A. P. PATRO: Our conditions now are entirely different from those which obtained then. The conditions now are such that it is not possible for any Government, not even the British Government, to ignore the forces that are working in the country for making this demand. You cannot minimise the forces in the country. You must prepare yourselves for that. That preparation is essential, so that we may have a common, united demand. It is no use merely passing resolutions on paper and leaving it to the sweet will of the Government to take any action on them that they like. Therefore, it seems to me that unless and until we have this effort made for effecting unity between Hindus and Muslims and all minorities, there does not appear to be any possibility of obtaining such transfer of power as would enable us to form a national Government. The suggestion is always trotted out that we should have a national Government. What is the use of this suggestion unless you put forward a united demand, unless you are able to have all the parties and sections represented? Unless you do that, there will be no case for a national Government at all. It is therefore our primary and foremost duty to create unity instead of finding fault with the British Government.

There are many defects in the administration of the country. It is not a perfect Government. We have our own experiences to show that the administration of the country is capable of much improvement, that this Government ought to work in a better way than it is doing today. All that is true. No one who is acquainted with the administration of the country would say that it is a perfect Government and therefore nobody should criticise it or expose its defects. There are many defects in the administration which I do not think even the hardest conservative member of the Government would deny. Even such a man cannot say that they are running a perfect Government. The Government is defective in many ways. But what is it that we can do at present? We have to support the war. That is the primary

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duty of every man and woman of this country—to support the war and win the war. And after winning the war, the rest will come. Everything else is secondary to the winning of the war. Therefore, instead of helping to win the war, that we should throw any obstacle in the way of the war effort seems to be suicidal and disastrous to the interests of this country. It is the foremost duty of every one to see that the war effort is supported. We should not say anything or do anything which would expose our military operations so that the enemy may take advantage of the exposure and gain strength from it. There are in this country quislings and fifth columnists. If evidence is necessary, I can point out—

THE HONOURABLE MR. HOSSAIN IMAM: Who are they?

THE HONOURABLE SIR A. P. PATRO: People who, in season and out of season, without rhyme or reason, run down the Government. They are not friends who are supporting the present Government, but friends who are helping the enemy. Therefore, it seems to me that we should not assist the quislings and fifth columnists in this country, but every one must frankly and freely, without any consideration of the defects of the Government at present, without any consideration of what is to be done now, help the war effort. After we have won the war, then is our turn to ask the British Government that they should devolve greater responsibilities, in fact devolve all the responsibility of administration, on our country. But during the war it seems to me that we should all support the war effort and should not throw any obstacles in the way of the Government.

I do not at all deprecate criticism. There should be criticism. Criticism is a right which we in this House possess. There must be criticism. But there must be a method even in criticism—a method even in madness, as they say. Therefore, criticism should be directed in such a way as not to enable the enemy to take advantage of it; it should be directed in such a way as not to enable the quislings and the fifth columnists to take advantage of it and defeat the war effort. It is true we have got the right of discussing constitutional and political questions when supplies are asked for, based on the traditional right of other countries where there is a Parliamentary system. I am one of those who have said repeatedly that the Parliamentary system of democracy is not at all suited to this country. While we have got that right, the main question we should discuss is that of taxation, how far taxation affects the interests of the people, whether it affects the economic condition of the people, whether it is so heavy as to be beyond the capacity of the people, and whether it is necessary. These are the questions that we have got to ask, namely, the necessity for the taxation, the incidence of the taxation and how far the economic condition of the people will be unsettled by the imposition of this taxation. These are the questions which are most relevant for discussion. No doubt we have got the right to discuss the other questions also, but, to my mind, to raise political issues will not serve any useful purpose.

Sir, I support the Finance Bill.

THE HONOURABLE SARDAR BAHADUR SOBHA SINGH (Nominated Non-Official): Sir, I join wholeheartedly in the compliments paid to the Honourable the Finance Member and the Honourable Mr. Jones on their fourth War Budget. The Finance Bill before the House is probably the best that could be under the circumstances. The measures of taxation which are envisaged in the Bill have evoked certain criticisms. While there is some substance in some of the criticisms, we have got to take into consideration that no tax proposals are ever welcomed except by those who are not directly or indirectly affected by it. On the whole I am of the opinion that the allocations made between the taxation and the loans in order to meet the deficit have been properly done. I am not one of those who believe that everything should be transferred to posterity and that the present generation should not suffer at all or should suffer the least.

In regard to the taxation proposals now before the House, I am sure they will affect only a few and only those who can afford to bear the burden. I am glad that the Honourable the Finance Member has given a strong note of warning in the other House to the speculators who have been indulging in an orgy of speculation in cotton, cloth, foodstuffs and other materials. Whatever might be stated to the contrary, it cannot be denied that the abnormal rise in prices of cloth today is very largely, if not almost entirely, due to the unhealthy activities of the specu-

it is practically impossible for a poor man to be able to purchase the cloth necessary to cover himself.

Sir, during the last three weeks, the prices have gone up to an unheard of extent. All this is due to nothing but to speculators and those big business men who are hoarding cotton to their advantage. It is only after the stern warning administered by the Honourable the Finance Member that Government will not take it lying down and will probably mobilise their whole resources in order to defeat and crush the economic sabotage that is being done that we see a little sanity dawning on people of this type, and prices are showing a little decline and gradually are coming down.

There is another point, Sir, which I would like to bring to the notice of the Honourable the Finance Secretary, and that is, that Government should take serious steps to sterilise the surplus money which for lack of attractive investment is being kept not only in banks but in other places. The boom in company flotation is an indication of easy surplus money conditions of which the Government have failed to take necessary advantage. It is a well-known fact that the middle class people have withdrawn from the Savings Banks deposits and from the Post Office accounts in order to invest them in companies. This naturally reduces the prospect of a good response for Government loans. Further, there is a danger that some of these new companies and flotations may be uneconomic and unsound and might lead investors to grief. I request Government to keep a strict watch over these flotations. It is obvious that the Government loans do not offer attractive investments when compared with these company flotations, and that if these loans are to be more popular, Government must offer attractive terms to small investors particularly. In my opinion, they should take the form of some kind of income-tax-free loans for middle class investors. The rate of interest also should be made a little more attractive. If our war finance is to be made successful, Government loans must be patronised more largely than they have been done up till now and Government should take steps to make them more popular and attractive.

There is another point which I would like to mention in this House. I am very grateful to the Honourable the Leader of the House for the remarks he made in reply to a question by the Honourable Mr. Hossain Imam and for the assurance he gave that the claims and grievances of minorities will be looked into and that Government will see, and he will also see personally, that the claims of minorities are not overlooked. I hope, Sir, the Honourable the Leader of the House will keep in mind the grievances of the minorities, especially of the Sikh minority which is not well represented either in the Central Government or in the Secretariat.

Before I sit down, Sir, I would like to mention the great achievements which our Indian armies, Navy and Air Force have done, great achievements of which India is proud, in Africa and in Burma. India is proud of these worthy sons of the country who are not only fighting for the freedom of the world but also for the freedom of India and for the unity of India. I think the day will come when these worthy sons of India will come back glorious and will create a society which will bring prosperity, unity and goodwill in India.

*THE HONOURABLE MAULVI ALI ASGAR KHAN (Assam : Muhammadan) : Sir, much have been said about the Finance Bill by Honourable Members of the House. I find nothing special in the Budget ; it is the same old stereotyped one. To fight total war money must be found and I do not grudge it. We want victory and for this money must be found. The Honourable the Finance Member should take all the care to give relief to the peasants and the poor masses of India, not only in the matter of taxation but in economy. India is contributing 12 per cent. of her national income for the defence of India. It is no doubt a big figure considering the poverty of the Indian people. India will exert her utmost to hasten victory. But it is even now doubtful if the Imperial Government will grant her full freedom after the war. The Government of India and the Home Government should clarify this point and there should be a total change of power. The Honourable the Defence Member said the other day that by voluntary recruitment two million men had been raised in India and more recruits are available. Why then is there such a vast American and British army imported to this country for her defence ? If the army is raised in India it would be more economical than paying for the American

*Not corrected by the Honourable Member.

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army. I would urge upon the Government to put all forms of control over army expenditure and economy should be the watchword, keeping in view the necessary comfort and efficiency of the army. But the expenses are extravagant and I am sure there will be a great saving if the procedure I suggest is adopted. In the Burmese war it was proved that our comfort-loving soldiers failed against the hard-loving soldiers of Japan. I do not find that Government is taking sufficient measures for post-war problems. Most of the people now engaged in war abroad will be relieved of their employment after the war. What steps have the Government taken to provide employment for them ?

Another point that I should like to know is, what will be the condition of industries which are started in India for the war after the war. Will the Government keep those industries going or abolish them ? How are the Government going to meet these problems after the war ? The National War Front movement, though in its infancy, is a good movement and if the Government give a proper lead to this movement, instead of meeting the present situation only it will ultimately turn out a national militia which will be of immense use to the country.

Government have started food control and provision of foodstuffs to the military is their first consideration during the war. But the Government cannot ignore the grievances of the public and they should see that the public also get their foodstuffs. But what is the condition now prevailing in the country ? Control shops cannot cope with the demand and the black market is making huge profits and the poor people are put to hardship. When there is control of goods, there must be distribution to cope with the demand but it is found that foodstuffs are not regularly distributed to different centres either for want of regular transport or bad management and the general public are suffering a lot. In Assam vast waste lands are lying fallow. A few years ago homeless people from Bengal used to migrate to Assam. But now this emigration is totally stopped because if land is allotted to emigrants from other parts the descendants of the people of Assam will be left with nothing. I would ask the Government of India and the organiser of the National War Front to give a direction to the Assam Government to devise means to settle lands on homeless people of other Provinces, so that more food will be available after the war and homeless people are provided for, and then this campaign of grow more food will be greatly successful. It is useless to ask people to grow more without land.

In conclusion, I would ask Government to devise measures to end this deadlock and set up a national Government in the Centre which will have full public confidence. It is not only the duty of the Government, but also we should unite together, forgetting all parties and sections, to solve this problem to our satisfaction.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Finance Bill is an occasion, a cherished occasion, when we have the licence, firstly, to examine all actions of the Government, and, secondly, to make a sort of survey of all Government's activities—their good deeds as well as their misdeeds. No doubt our discussions are unreal and it cannot be denied that we have no power to control our own Government ; we are refused to be given any part in the defence of the country, and are not allowed even to discuss matters concerning the safety, prosperity and tranquillity of my own country. What can a man do ? What can we do but talk in a strain which is ill-suited to the present time. It may have been suited to the days of peace but it does not appear well at this juncture. I realise it, and even after realising it I feel that I cannot help it. It is the Government—which has learnt its lessons so well from the Congress of non-co-operating and having—I will not call it Civil Disobedience—a sort of disconnection with the Legislature which force us.

THE HONOURABLE SIR DAVID DEVADOSS : Polite.

THE HONOURABLE MR. HOSSAIN IMAM : It is not always polite ; it is sometimes very vehement.

Sir, I shall utilise the occasion in a sort of scanning through the whole Budget as well as other matters concerned with the public life of the country.

As a first step I wish to enter my most emphatic protest against the action of the Central Government in Sind. The promulgation of martial law and its continuation for ten months is an unprecedented thing in the whole of the British Empire. Not only that, Sir, but civilian, illiterate people were bombed. Notices were served on these illiterate people that unless they vacate the place they would be bombed. How could you imagine that they could read your notices? If with your army of two million men you cannot control such a small area what hope there is that you will conquer Burma? If you are so ineffective that in ten months in your own country you have not been able to establish a reign of law how do you think that we can rely on you to win victories. Not content with that they have done another unprecedented thing for which I challenge the British Government to give me a single instance: that a person who had been in prison a year or more before the promulgation of the Martial Law was brought before the Martial Law Tribunal. Even at Amritsar you did not do this sort of thing, although that was a most hideous part of the British history. But you can do this thing now because of the present Government of India, which is so discourteous as not to take the Legislature into its confidence. The other day an Adjournment Motion was tabled to discuss the question of Pir Pagaro's ordered execution and its repercussion on Sind.

THE HONOURABLE THE PRESIDENT: Not in this House.

THE HONOURABLE MR. HOSSAIN IMAN: I am talking of the other House, Sir.

THE HONOURABLE THE PRESIDENT: But you did not say so.

THE HONOURABLE MR. HOSSAIM IMAN: I am sorry, I mean in the other House. The Pir was executed at 8 A.M. The Adjournment Motion was moved at 11-30 A.M. and yet the Government had not the decency to tell the House that the man had already been hanged.

THE HONOURABLE THE PRESIDENT: Are you sure that they had this information?

THE HONOURABLE MR. HOSSAIM IMAN: Well, Mr. President, if the Government of India is so ill-informed and so ineffective it should better resign and leave the country.

THE HONOURABLE THE PRESIDENT: Only two hours had elapsed and it is possible that they could not have got the information.

THE HONOURABLE MR. HOSSAIM IMAN: In three and a half hours in these days of the radio and telegraph, you get every kind of news in military matters. Cypher telegrams are coming in every minute. I have the misfortune to know how many lakhs and lakhs of rupees are being spent on the Post Office in payment of cypher telegrams.

Sir, I was saying that the Government had not the decency to take the Legislature into confidence and tell them the truth; because they feared and they were afraid of making this admission of their guilt. A trial, you call it a trial by Court Martial—

THE HONOURABLE THE PRESIDENT: Order, order. I will not allow you to make any reflections on a Court of law.

THE HONOURABLE MR. HOSSAIM IMAN: Sir, it has been doubted whether a Court Martial is a Court of law.

THE HONOURABLE THE PRESIDENT: It is a military Court of law.

THE HONOURABLE MR. HOSSAIM IMAN: The Speaker of the other House has perhaps held otherwise.

Sir, I do not wish to dilate on that question. I simply wish to bring in the crucial difference between the way in which you treat one rebel and another. Yesterday we had some questions and the Honourable the Home Secretary was cryptic in his answer and when I wanted an elucidation whether it meant that he would not proceed with the charge he would not explain what he meant. There have been sabotages in other parts of India but have they been subjected to Martial Law? I question, Sir, the legality of the fact that the man was tried. I may not have any sympathy with him but in common with the worst of the criminals you must give the man a chance to prove his innocence. A man who had been in jail and not out to create any mischief—whatever the mischief he may have done before the promulgation of the Martial Law—why could he not be tried by an ordinary Court? You grudge to bring forward a charge in an ordinary Court of law or even

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under the Defence of India Act for one set of rebels but in this case you took shelter under the Martial Law and so did what had never been done in the history of the British Empire in India. Sir, we understand and are conscious of the difference and discrimination which Government are making and we shall take our lessons accordingly.

The next point on which my Party as well as my nation feels very strongly is the question of Services. We have been, in season and out of season, asking for justice. We do not ask for any favours; we ask only for justice and equity and we have always received evasive answers. I welcome, Sir, the reply which the Honourable the Leader of the House gave us and assured us that Muslims and other minorities will receive a fair deal from his Department. I hope, Sir, that when we come next time we will find that something has been done and that the Government of India officialdom and files have not proved too strong or too much for the Honourable the Leader of the House. I hope that reign of justice and equity will prevail and the Muslims and other minorities will receive fair deal not only in his Department but in other Departments, especially in the Central Public Works Department, where poor people are having a great deal of trouble. It is one of those Departments, Sir, where you have got a special kind of thing—work-charge staff—which is neither temporary nor permanent. It is a peculiar product of the Central Public Works Department. They are a very low paid staff, Sir, and the amount of dearness allowance which they are given is not in consonance and in keeping with the dearness allowance which the Government in its Railway Department is paying. I hope, Sir, that the Honourable the Finance Secretary will find his way to give these small people a fairer deal than they have received so far. They should get at least the same dole which the Railway Member is giving to his own people.

A connected matter is the question of extensions. Last year we discussed this matter. There were extensions in the Railway Department as well as in other departments. The giving of extensions is a very bad principle; it creates a great deal of ill-feeling. If a man is given an extension, all those below him feel that they have been cheated out of their place. And a contented service is essential, especially in these war days. I have examples of Departments which are hard pressed for men but are not giving extensions. For instance, look at the Central Public Works Department. In its higher sphere as well as in its cadre of Executive Engineers, it has very rarely given extensions. And you know how hard pressed the Central Public Works Department is in these two years it has carried out works of more than Rs. 30 crores for military and civil airfields. And yet they can do without extensions. Why then should extensions be given to other services? We must be prepared for a long war. The days when you could dream that the war would be finished within four years have passed. You have first to defeat Hitler. Only when that campaign has been finished will you switch over to the Japan. And at the snail's pace at which we are winning victories in Burma, I doubt whether we can do it in less than five years from now. Therefore, Sir, I appeal to the Government to consider the question seriously whether the policy of giving extensions should not be ended. I appeal to them to discontinue this policy.

Connected with this is the question of the inordinately large number of Europeans, Anglo-Burmans and other employees of the Burma Government who are finding employment under the Government of India—at the Centre and in the Provinces. India has become a dumping ground for all people for whom no employment can be found. Even in the Secretariat you have brought people of the Burma Service. I regret that the Government of India, in their desire to help Burma, are encroaching on our own preserve and are trying to take food from our own mouth. Can it be justified? I feel that some Departments have gone beyond the limit. For instance, the number of non-Indian people employed by the Civil Defence Department is out of all proportion. Even if you had a desire to provide for them, there should have been a limit to the largesse. It should not have been a limitless expansion of the Government of India services for the benefit of the Burma Government. What happens? As soon as a man is employed in the Government of India, he ceases to be a charge on the Burma Government. And all charges for the Burma Government are paid by His Majesty's Government. So, it is an indirect subsidy to His Majesty's Government. Is this also one of the implications of the financial settlement, of

invisible payments to His Majesty's Government—the employment of Burma Service people and of Burma evacuees? Of course they must be of white skin. The brown skins have no place.

A connected matter with this is the question of the number of commissions given to the Europeans and Indians. It has been reported to us that the number of commissions given to British non-commissioned officers is much larger *pro rata* than that given to Indian other ranks. A larger number of British non-commissioned officers have been given commissions as compared to the commissions given to Indian risaldars or subedars, with the result that Indian officers sometimes feel that their British colleagues are not of the same strata as they themselves. Also, these new people do not impress the Indian soldiers. Also, Sir, there is this grouse, that old and veteran Indian soldiers do not like to be bossed by raw and callow youths who do not know even their language. I should like the Government to examine this question and to come to a definite and equitable balance.

I did not intend to speak on foodstuffs because that is a subject which we have discussed at some length. But the point which was made by Maulvi Ali Asgar Khan, namely, that waste lands in Assam should not remain uncultivated but should be colonised by people from over-populated Bengal, is one which I commend strongly to the Government's attention in the Food Department, especially in view of the fact that the Honourable the Finance Member, in winding up the debate the other day, said that he was prepared to give a much larger amount than Rs. 50 lakhs if he could evolve a scheme. It is up to the Food Department and the Assam Government to examine this suggestion and, if possible, to grow more food by utilising waste lands, for that is the best method of making more food available in far-off Assam.

Now, Sir, I should like to say a few words about a subject on which even the Finance Member felt rather strongly. I refer to cotton and the cotton industry. The fact cannot be denied that higher cotton prices have the result of bringing more land under cotton and less land under food crops. Until and unless Government can show that the price prevailing for cotton is such as to take away land from food-grains to cotton, we cannot support the vendetta or crusade against the cotton prices. If the cotton prices are so high as to place the cultivation of cotton at a premium and the cultivation of foodgrains at a discount, I think—

THE HONOURABLE THE PRESIDENT: Do you know what was the price of cotton during the last war?

THE HONOURABLE MR. HOSSAIN IMAM: That is not the question at present. What we are considering today is the price of foodgrains and the price of cotton now.

THE HONOURABLE THE PRESIDENT: Yes. What was the price of foodgrains during the last war?

THE HONOURABLE MR. HOSSAIN IMAM: That matter also does not concern us at present. We have to deal with the present and not live in the past.

Government must establish a case first. If they have a case, they can rely on it that the Members of the Legislature will give them their full support. But if they have no case, they cannot blame us if we do not give our support to the Government. I am more or less an agnostic in this respect.

THE HONOURABLE SIR DAVID DEVADOSS: Sorry to hear that!

THE HONOURABLE MR. HOSSAIN IMAM: In this respect, that if through cotton more money goes to the agriculturist, I would not mind—if it is in the best interest of the country. But if the interest of the agriculturist clashes with the interest of the rest of the population, then it must give way. The necessity of the whole must have precedence over the well-being of any particular section. While on this subject I would like to invite the attention of the House as well as of the Finance Department to the fact that textile mill prices are soaring higher and higher every day. The little bit of bait that you have left of one-third of the Excess is responsible for all this.

THE HONOURABLE THE PRESIDENT: Does it work out to one-third after payment of income-tax and super-tax?

THE HONOURABLE MR. HOSSAIN IMAM: After payment of income-tax it works out to something like 20 per cent. 12½ per cent. is taken as the corporation tax and 66 2/3 per cent. is taken as excess profits tax—

THE HONOURABLE THE PRESIDENT: You have to pay on the excess profits also income-tax and super-tax.

THE HONOURABLE MR. HOSSAIN IMAM : After the excess profits tax is taken, on the balance you pay. You do not pay on the whole. Out of Rs. 100, Rs. 66 goes out. Out of Rs. 33 you pay. You don't pay twice over the amount.

THE HONOURABLE THE PRESIDENT : You had better study the Act.

THE HONOURABLE MR. HOSSAIN IMAM : I am laying on the table a statement* of the present-day prices of selected companies. It is a long list of 15 textile mills which I am laying on the table in which prices have risen from eight times to nineteen times. I may mention the Kohinoor. The paid up amount per share is Rs. 100 and it is quoted in the *Commerce* of 20th March at Rs. 808.

THE HONOURABLE SIR DAVID DEVADOSS : You know the price of Tatas ?

THE HONOURABLE MR. HOSSAIN IMAM : I am talking of textiles. I am not talking of Tatas. I should like the Honourable the Finance Member also to mark one fact which he seems to have forgotten—that the excess profits tax and the corporation tax which you can collect but which you have not yet collected come to a huge amount. This one company about which I was talking, the Kohinoor, had a net profit in 1939 of Rs. 4,37,000 and for the year ending 31st December, 1942, its net profits were Rs. 24,82,000—six times higher, after payment of excess profits tax and the corporation tax for which the company has already provided in its balance sheet. The Tax Reserve has risen from Rs. 1,84,000 to Rs. 64 lakhs. I have not been able to collect the figures for all the companies but for the three companies for which I have noted, I find that the amount set aside for taxation of these three companies—the Swadeshi of Cawnpore, the Muir Mills of Cawnpore and the Kohinoor of Bombay increased from Rs. 8 lakhs to Rs. 2,30 lakhs between 1939 and 1942. This is the taxation which has been provided in the balance sheet as a reserve for taxation. They know what amount they have to pay. The Government of India may blunder but the industrialists do not. I must say that to their credit. They know what their business is. The profits of these companies have probably risen from Rs. 17 lakhs to something like Rs. 70 lakhs. The warning which the Honourable the Finance Member gave had little effect. The prices of cotton at once went down, but slowly and surely they are rising up again because empty threats may have some effect on weak holders but big money barons and people who know the weakness of the Government will not be taken in by these empty threats of yours. If you mean business, do business. Otherwise, do not talk.

THE HONOURABLE SIR DAVID DEVADOSS : What is the suggestion ?

THE HONOURABLE MR. HOSSAIN IMAM : If Government are prepared to listen, I can make any number of suggestions. Limit the managing agency commission first and foremost. Then limit the dividends as has been done in other countries. The U. K., U. S. A., all have done it. Ours is the only God-forsaken land which has not done it. The U. K. are doing very well by having a 100 per cent. excess profits tax. Have you the courage to do it ? You cannot have—not even the present-day “Indianised” Government of India. It is only a national Government which can have the courage. A foreign Government or an unrepresentative Government cannot do this. It requires the power to carry the people with you which you clearly lack.

Now, Sir, we had some talk the other day about standard cloth and there too I do not wish to repeat myself. But I do wish Government to examine whether the cotton mills are producing to their capacity. Also the Finance Department must listen to the valid objections of the mills. Although I am no champion of the mills I regard your formula that for two shifts you will give one and a half times the depreciation allowance is wrong. You must give for double shifts double the depreciation. I know, Sir, that the Government would say that only the machinery deteriorates and the other assets do not. But the amount of deterioration which happens in three shifts working is much greater than in working for three days, and the mills' objection that the depreciation allowance must be increased is very valid, and it is because you are not giving that concession that you are having this trouble of under-production. I am no one's enemy. I want justice and equity. If they rob me, I will protest against their action. If they are robbed by you, I will be their champion.

I had drawn attention to a connected matter, namely, that the Supply Department should revise its specifications. The use of cotton yarn in making ropes and other things must be stopped. Yarn is too valuable to be wasted in this manner.

*See Appendix at the end of these proceedings.

Wherever you can use a substitute for cotton yarn that should be done. Please realise that you are not living in normal times. The issue before you is of great importance and the people living in India have also some right. This is a central factor which the Government lose sight of. You have only made provision for three and a half yards of cloth available *per capita*. That is scarcely enough even for a *dhoti*. How do you imagine we can carry on for 12 months with only that much? I can assure you that 90 per cent. of my people cannot buy anything but standard cloth. I therefore suggest to Government that they should make as large amount of yarn available as they possibly can. In this connection I would invite the attention of the Commerce Department to the non-publication of Thomas Fact-finding Committee's Report about hand-loom. How long it is to remain in the archives of the Commerce Department and not see the light of day? Every Report that comes to the Government is conveniently shelved and very carefully kept, never to find publicity. The hand-loom industry is very important; it not only gives employment to a much larger number of people than the textile industry but it is the one on which the well being of remote villages depends. These villages usually meet their requirements of cloth from the hand-loom industry. Especially in view of the great difficulty of communications, it is necessary that all help should be given to the hand-loom industry. I personally feel that the Government ought to make a grant for popularising the hand-loom industry in the provinces if the provinces come forward and say that they have no money. I do not advocate that Provinces should get money for anything and everything which the Centre asks them to do. But all those who have not got the money should get help; and those who have money should get no help. We should not be wedded to any rule of thumb.

Another subject which we have also discussed is the question of paper. There too the latest information that I have shows that the Titaghur mills do not manufacture their 20-lb. paper of Crown size, 20 × 26 which they used to manufacture. They are manufacturing a heavier paper. I have already suggested that Government must select a lighter weight paper, so that more paper could be made from the available raw material than is possible now. I have also come across some instances, where there is no paper economy campaign in the War Departments, like Information and Counter-propaganda Directorates. There, Sir, paper economy campaign is unknown. I will not put it at any higher than that. I do hope that the Government would direct these Departments also to revise their requirements and to curtail their publications as much as they possibly can. While I am on this subject, I should like to ask the Honourable the Finance Secretary to corroborate the information which I received from the Honourable Mr. Prior yesterday. Am I correct in understanding that your revised estimates and the budget estimates for the current year have been reduced from the former figure of Rs. 510 lakhs and Rs. 470 lakhs to Rs. 250 and Rs. 300 lakhs, as stated by the Honourable Mr. Prior yesterday in reply to my question No. . . . If the Government has made this reduction would I be very grateful to them and I would have some hope that even this Government can understand the stress of war.

I now wish to come to a matter of general policy and a policy of some importance to us who live in British India. We see side by side the two Indians, Indian India and British India. In British India we are subjected to excess profit tax, to higher corporation tax, to any amount of taxation, whereas in Indian India all these things are non-existent. British Indians are asked to make greater sacrifices, but the advantages which will accrue to Indian States will be no less than the advantages which will accrue to British Indians. What is the meaning of this discrimination? What is the good of paramountcy which cannot ask them that at least at this time, at this juncture, when we are fighting for the very life of the country, Indian States should make some contribution? Paltry and nominal contributions they are making in the shape of contributions to the Viceroy's Fund or sending small contingents to the theatres of war. Are they similar or are they of the same order as sacrifices which we are making. Paramountcy if it has no utility must end. The fifth wheel cannot be allowed to remain; either it must function or it must retire in oblivion. I do demand that this unnatural distinction between British India and Indian India should disappear. The result of this artificial discrimination is that more and more industries are leaving British India and going and finding a shelter under the Indian States. This is one of the methods of evading taxation and the way in which you are conniving at it and helping it shows how little regard you have for your own people,

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for British India, and you call yourselves the Government of India! His Excellency the Crown Representative can take money for carrying out his own Department's work from the revenues of British India, but he cannot dictate even at this juncture that there must be equality of sacrifice, that industries in Indian States must also pay the same amount of taxation as a war gift—if you are so chary of your rights call it a war gift or by any other name you like. Make them pay if you deserve the name of a Government and paramount power.

Sir, I had asked a question about the Police Grant and yesterday I received a reply giving details of the Rs. 163 lakhs which is to be distributed in the coming year to the Provinces. I am really surprised that in his Explanatory Memorandum the Honourable the Finance Secretary did not mention these things. The table, Sir, shows something strange. I had thought, Sir, that the Police Grant would be in proportion either to the nearness of the place to the theatre of the war or to intensity in Civil Disobedience in it but I find that none of these rules apply. The North West Frontier Province receives Rs. 56 lakhs and my own Province of Bihar only Rs. 6 lakhs. In point of nearness to the theatre of the war Bihar is in greater danger. As far as the Civil Disobedience is concerned Bihar was much more disturbed. As far as the number of people are concerned my Province has got four crores of people to the Frontier's 25 lakhs, and yet the Frontier receives so much and my Province so little.

THE HONOURABLE SIR DAVID DEVADOSS: You commit more offences and get more!

THE HONOURABLE MR. HOSSAIN IMAM: In my Province more offences were committed but still we get less. Nothing pays unless you are able to move the stony heart of the Finance Department.

I find that Sind was receiving Rs. 7,68,000 in the year which is about to close and for the next year the grant has been increased to Rs. 18 lakhs. On what account? There should be some explanation for this. I also, find, Sir, that this matter has been treated in a rather peculiar manner by the Finance Department. The original Budget estimate, Sir, for this grant was something like Rs. 28·35 lakhs and it has been increased to Rs. 145·19 lakhs in the current year. Now, I ask, was the Standing Finance Committee consulted on it before this expenditure was embarked upon? The matter must have been mooted by the Government when Burma was in danger. After the fall of Rangoon the Standing Finance Committee met twice or thrice but as far as I know the matter was not submitted to the Standing Finance Committee until Government had to submit it in order to get sanction for Supplementary Demand—I mean when they were forced to bring forward the matter before the Standing Finance Committee in order to get Supplementary Demand placed before the Assembly, because Assembly would not consider the Supplementary Demand without it having been to the Standing Finance Committee. I think that when you are changing your policy the right method to adopt is that the Standing Finance Committee should be consulted before you come to a decision and I think you did not deal fairly with the Standing Finance Committee in refusing to consult it. I should like the Honourable the Finance Secretary or the Home Department to tell us what was the principle on which this distribution of largesse was made by the Government of India.

THE HONOURABLE SIR A. P. PATRO: Necessity.

THE HONOURABLE MR. HOSSAIN IMAM: If necessity was the basis Sir, then there would be no need for an increase in Sind and a decrease in the North-West Frontier Province. In the North-West Frontier Province Police Grant has decreased from Rs. 63 lakhs to Rs. 56 lakhs. In Sind there has been an increase from Rs. 7 lakhs to Rs. 18 lakhs for no rhyme or reason, except of sweet pleasure. In Delhi we had this year Rs. 18 lakhs and is going to get a similar amount for the next. Same is the question of Ajmer-Merwara, Baluchistan Rs. 2 lakhs, but you find these differences in those Provinces which were favourites.

Sir, I should like now to come to the financial heads. I asked some questions from the Honourable the Finance Secretary about the purchase of sterling and the replies which I received, Sir, from the Honourable the Finance Secretary were, to say the least of it, a little, what should I say, blank. We all know what is the exchange rate. We have been through the thick of it when this was under dis-

discussion. We know that 1s. 6d. was imposed on us. I did not want that figure. I could any day if I liked have this taken from the Report of currency and finance. The reason why I asked this question was that you are not bound to sell sterling at less than 1/6-3/16, that is the ceiling which has been fixed. You do not require sterling, then why should you lower your price?

THE HONOURABLE MR. C. E. JONES: May I know whom my Honourable friend means by "you"?

THE HONOURABLE MR. HOSSAIN IMAM: I mean the Reserve Bank. After all the Honourable the Finance Secretary is himself a member of the Reserve Bank; so I suppose I can address him in his representative capacity of the Reserve Bank.

The loss which India has incurred by this altered sum is Rs. 3½ crores. The total amount of sterling which has been purchased by the Reserve Bank comes to Rs. 344 crores. Now on account of this a small reduction, of 3/16d. per rupee from what we were entitled to demand and which no power on earth could have refused us, we have lost Rs. 3½ crores. It is for this reason that I had asked this question in order to get from the Honourable the Finance Secretary a reiteration of the rights which are given under section 41, Reserve Bank of India Act. We are not in need of buying sterling. Why should I reduce my price? If nobody sells sterling to us we would not mind it. We would welcome it. Our portfolio is too big. Why should we go and reduce our price? It is an ordinary commercial practice that when I can hold out for my price I will hold out; but when I have to purchase a thing I must pay a higher price. Therefore, Sir, I ask the Government to examine this position that no more sterling should be bought at less than the statutory price ceiling. I want to discourage the purchase of sterling because it is of no advantage to us and causes inflation. A paper currency like sterling which has no backing, except that of the possible trust which other people will have in it or of the possibilities of the future, is no attraction.

Then, Sir, a connected question is that of inflation and utilisation of sterling resources. As the Honourable Mr. Dalal pointed out, there are two views on the subject. Both are vehement. Government supports the view which says that there has been no inflation. I personally feel that even if theoretically and technically there has been no inflation, you cannot be blind to the signs which are appearing before us in large letters. I refer to the high prices prevailing for gold and silver in India; the special premium over and above world parity which you are having today is an irrefutable pointer to inflation and to the lowering of confidence in currency. If further proof were required, you would find it in the reduction of your small savings. The small savings which used to come to the Post Office savings bank and to the postal certificates are all diverted to gold and silver purchase. Does it not show that people have lost confidence in currency? Furthermore, the price index is the surest possible thing that you can imagine. I have before me the index number of wholesale prices in Calcutta for all commodities, and the economic index of miscellaneous commodities in the United Kingdom. The price index in Calcutta from August, 1939 has risen 153 points up to February, 1943. From 100 in August, 1939 it has gone to 253 in February, 1943, whereas in the United Kingdom the price has gone up from 75 to 122—only 47 points. Now, comparing this, will you still persist in saying that there has been no inflation? Will you believe that there is inflation when prices go up 300 per cent.? Or will nothing convince you? If you are one of those who can never be convinced, then it is a waste of breath. But if there is any pointer which you can bring forward and say, "This is my yardstick. Measure it with this, and you will find that the situation here is not different to that in the United Kingdom", then I will accept your proposition that there is no inflation. In my speech on the Budget I had drawn attention pointedly to the fact that the amount of currency in circulation in the United Kingdom was not even double that which was in circulation when the war started, whereas in our own case it was more than three times.* Do the Government insinuate that the British people do not know how to manage their own affairs; that more currency is required, but the British Government has mishandled the situation; and that you are handling it better than Montagu Norman? There

	In crores.
	Rs.
	205·94
	650·56

*In August Reserve Bank notes in circulation

On 10th March 1943 Reserve Bank notes in circulation

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must be some sort of sense of proportion in these matters. Merely hiding your head beneath sand like an ostrich will not eliminate the existence of inflation.

I am not going to talk on utilisation of sterling, but I would remind the Government and the House of the circumstances in which the United States came forward to give lend-lease. Britain had first of all liquidated all her gold holdings, all her foreign exchange holdings in the United States, all her dollar holdings, and all her current receipts of dollars too; and it was when all these were exhausted and England had no resources left that lend-lease was given. Have you done even a part of that in India? I do not want any sterling. I only want my own dollars back, for if I had my own dollars back I would not be in need of any lend-lease goods: I could pay for them. You take away all my dollars. You keep your rupee holdings here. And then you come forward and say that you have done me a good turn! When I deal with the financial settlement, I shall show that the present arrangement is not one under the old financial arrangement; and I shall also show how the Government of India has failed on his duty.

The United States should be asked to place at our disposal gold and silver. And here I have got the precedent of the last war. You will remember that we bought, under the Pittman Act, a very large quantity of silver. I want the same thing to be repeated. The price at which silver is now sold in India makes the melting of standard coins a very profitable proposition. If America was able, without lend-lease, to give us silver during the last war, has the Government made any efforts this time to get any gold or silver from America? It is absolutely essential that you must have gold and silver in India, not to hoard in the vaults of the Reserve Bank, but to sell it to the country and thereby bring about a deflationary effect and get back currency. What effort are you making to deflate currency, to bring it back to some desirable limit? There must be a ceiling even to this. Sir, I would not ask the United States to give it to me under lend-lease? I would be prepared to take a loan on interest and pay them for it at the end of hostilities. *But I must have gold and silver if the currency is not to become valueless.*

While on this subject, I should like some one to enlighten me as to who invited the United States forces. Were they invited by the Government of India? Or were they asked by His Majesty's Government to come here? Or did they come without invitation? On this depends the answer as to who should pay for them. I do not suppose that the Government of India could have invited forces from outside, because they would have preferred to get the required forces from Britain. His Majesty's Government does not gain anything. The fact of the matter is that the United States forces, whether they are stationed in India or elsewhere, have been a source of strength not only to the country in which they are stationed, but to all countries round about. *The presence of the United States troops and Air Force is not primarily in the interests of India alone; it is primarily in the interests of China and Burma and it is for the conquest of Burma.* We see that the United States forces are every day being utilised to bomb Burma. Now, because of the fact that you have not got any territory on which you could have these forces stationed, India is being charged. We must be charged because we are helpful. And why? Because my own Government—the so called “my” Government—cannot put up a fight. It just flops down as soon as it comes in contact with H. M. G. and the highest objective that it had in view was to let things remain as they were and no change. Instead of demanding your just rights and privileges, you congratulate yourself that you have been able to remain where you were, although you had every right to ask for more.

Sir, I should like now to deal with the financial settlement. In his speech the Honourable the Finance Member dealt at some length with this
5 P.M. matter. I wish to show to the House and to the Finance Member that the present interpretation is not only outside the scope but altogether against the spirit of that settlement. In paragraph 16 of his speech the Honourable the Finance Member, after citing items (a), (b), (c) and (d), said:—

“His Majesty's Government is to pay for the remainder of all general defence and supply expenditure incurred by India, subject to separate post-war negotiations concerning the liability for surplus war stores in India acquired in the common interest. Non-effective charges were to be dealt with separately.”

We are given four categories in which we have to pay and over and above those four charges, all other charges are to be met by H. M. G. For the first time in the history of this war, when the Honourable the Finance Member returned from England, we heard the words "joint war measures." This is an expression which was never used by either the Finance Member or the Finance Secretary in any of their expositions of the war expenditure in the Legislature.

THE HONOURABLE MR. C. E. JONES: May I say that we used the expression "joint war liabilities" when the Settlement was first explained? The expression used when the Settlement was first explained three years ago was not "joint war measures" but it was "joint war liabilities".

THE HONOURABLE MR. HOSSAIN IMAM: I would like to have the reference to that speech. My impression is that anything over and above these items were to be paid by H. M. G. "Joint liability" may have been used in the accounts. I do not deny that. It may have been used in the proceedings of the Committee. I can appreciate that. But what I say, Sir, is that this expression was first heard in the Legislature on the return of the Honourable the Finance Member from England.

THE HONOURABLE THE PRESIDENT: Anything very important about it?

THE HONOURABLE MR. HOSSAIN IMAM: Sir, it is the crux of the whole question, because if a thing is not in the interest of India alone, H. M. G. should pay. The wording is "such war measures as can be regarded as purely Indian liabilities by reason of their having been undertaken by India in her own interests." Here you find the words "purely" and "her own interests." If these two conditions are not present, I claim that under the Settlement, this over-riding clause means that everything else should be borne by H. M. G. My own contention is, as I contended in the last session when we were discussing this subject, that the defence of India is not the concern of India alone. If we were an independent people in alliance with you, you could have said that the interests were ours. But as long as you keep India in servitude, as long as you do not define what will be your attitude towards Indian India, and you are a Crown responsibility, how can you say that the defence of India is "purely" our liability.

THE HONOURABLE THE PRESIDENT: That is hair splitting.

THE HONOURABLE MR. HOSSAIN IMAM: Well, Sir, in the Legislatures we have to examine everything very minutely. I say that instead of taking some definite step, the present-day Government of India sadly gave away the case of India and surrendered the right of India by giving their consent to the proposition which has been enunciated that there should be such joint war measures. A measure must be purely in the interests of India for which India must pay; otherwise it should be paid by H. M. G. It is a broad division. All these forces which have been stationed in India—the U. S. A. and British forces—have they come to India at the invitation of the Government of India or did His Majesty's Government decide to send them here? Tell us what happened to the Burma Force; are they being paid by H. M. G.—the force which evacuated Burma including the 10,000 Chinese, the British and other Indian soldiers who were fighting there? India, as a matter of fact, is the centre where the whole defence of the East is concentrated; and I have the support of the Honourable the Finance Member himself, who in connection with the lend-lease case said that things coming to India cannot be said to have been brought in only in the interests of India alone, you do not know how it will be utilised and it will not be till the end of the year that you will know whether it should be a charge on the U. S. A. itself for its service to China or on the U. K. or on the Government of India. In view of such intricacy of accounting, is it not better that the Honourable Mr. Dalal's suggestion should be adopted and a ceiling should be fixed for expenditure on Defence by the Indian Government?

THE HONOURABLE SIR MAHOMED USMAN (Leader of the House): May I know, Sir, how long the Honourable Member will take? He may go on till 6 or 7 P.M.

THE HONOURABLE THE PRESIDENT: I was just going to ask that question myself. How long will you take?

THE HONOURABLE MR. HOSSAIN IMAM: About half an hour, Sir.

THE HONOURABLE THE PRESIDENT: Then I will adjourn the Council till tomorrow. I will limit you to half an hour tomorrow.

The Council then adjourned till Eleven of the Clock on Friday, the 26th March, 1943.

APPENDIX.

List of available Quotation (Commerce, 20th March, 1943) of Textile Mills—Mid-March.

Name of Mill.	Paid up per share.	Market Value.
1. Raipur	100	1,900
2. Calico	100	1,610
3. Arvind	100	1,575
4. Morarjee	100	1,107
5. Indore Malwa	100	1,200
6. Sholapur	1,000	10,200
7. Jajeersao	10	95
8. Aruna	100	935
9. Commercial	100	840
10. Bombay Dyeing	250	2,015
11. Centary	100	822
12. Phoenix	100	860
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	2,160	23,159
13. Swadeshi Cawnpur	100	1,200
14. Muir Mills	50	412
15. Kohinoor	100	808
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	250	2,420
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Grand Total	2,410	25,579

Taxation of the three increased from 5.50, 2.75 and 1.84, i.e., 8.09 lakhs in 1939 to 110, 56 and 64, i.e., 230 lakhs in 1942